# State of Nevada Financial

# Agency Implementation Manual

**November 3, 2000**

# 1 Introduction

The Agency Implementation phase of the IFS project is designed to accommodate both the shared and specific needs of agencies in order to achieve successful implementation. Each agency will assign an individual to lead the implementation of IFS for their agency. This person will be involved in all aspects of converting to IFS at the agency level. The Agency Implementation Contact (AIC) will work closely with their assigned IFS Contact (IC) from the State Controller's Office and will use this Agency Implementation Manual (AIM) as a guide through the implementation process.

## 1.1 Purpose of the Agency Implementation Manual (AIM)

The purpose of this manual is to provide the agency with an overview of the upcoming implementation activities. The AIM is designed to be a roadmap for the agency to follow during implementation. It includes IFS Project organization information, a non-technical view of the IFS system from a business function standpoint and some detailed instructions for leading your agency through each part of the implementation. The AIM contains background information on each stage of implementation as well as checklists with the required tasks for completion for each stage (See Section 6).

The AIM will be the central repository for implementation information. It will direct the agency to sources of information and contacts necessary to make informed decisions. Many decisions about how an agency carries out implementation need to be made by the agency. The AIM provides checklists and tasks to assist the agency in making these decisions.

The AIM is a working document and may be added to or changed over time. The Agency Implementation Contact will receive copies of any updates made to this document. The AIC will be responsible for forwarding the information to other users.

### 1.1.1 Using the AIM

The AIM is organized to guide you through implementation. Each tab within the AIM contains information about different elements of implementation. There are also appendix tabs to keep all implementation checklists and forms together. It is recommended that agencies keep any other documents related to implementation at the back of the manual.

Section 6 contains task templates for each separate task involved in implementation planning. These task templates describe each task and contain information about the responsible party, the estimated duration, due dates, inputs and outputs. At the completion of each task, the associated checklist should be updated.

### 1.1.2 Key Dates

Meeting implementation deadlines will be critical to the success of the project. Since project deadlines are inter-linked, it will be important to regularly check for changes to project dates. A "Key Dates" document will be maintained for each agency. The IFS Contact will provide the task matrixes found in Section 6 in an excel format upon request. A column can be added for due dates if the agency desires. The Agency Implementation Contact will be responsible for maintaining the spreadsheet.

### 1.1.3   Relationship of AIM to Other Documentation

The AIM is one of many project documents.  Some sections of the AIM will refer you to other project documents. These documents are available from the IFS Contact.

## 1.2  Project Definitions and Terminology

In order to insure clear communication and consistency across all agencies throughout implementation, it will be important to use a common vocabulary when referring to aspects of the project.  Throughout the AIM, there is terminology that may not be understood by all readers, or may have a different or more specific connotation to the reader than to the author.  Section 8 of the AIM contains a Glossary that provides the project definition of functional and technical terms to help clarify their exact meaning.  In addition, the Glossary contains some general terms associated with the project.

# 2 IFS Implementation Approach

The objective of the IFS implementation approach is to insure that each agency successfully implements IFS to support their internal administrative and financial operations. Accomplishing this objective will require agencies to effectively transition their administrative procedures, systems and staff to the IFS environment. This will require active participation on the part of the agencies and signifies a significant responsibility for agency staff and managers.

In order to accomplish the rollout of IFS to the agencies, the State Controller's Office has assumed a significant responsibility in supporting agencies to insure their success. The IFS Implementation Approach calls for the State Controller's Office to deploy a dedicated team to provide direct implementation assistance to each agency during their implementation. This includes IFS product walk-throughs and explanations of how the system will be used in Nevada. Additionally, formal training of agency staff will be provided on the use of the system. Furthermore, a comprehensive set of standard materials, including training materials and policies and procedures, will be provided to insure that agencies have the foundation necessary to successfully implement IFS and understand how to use it effectively.

**Figure 1** (Page 8) illustrates the overall approach that will be followed for the IFS Agency Implementation. As this figure indicates, the implementation process has been divided into activities associated with planning and execution. Assistance will be provided by the IFS Implementation Team to agencies in all key areas of implementation, including:

- Agency System Usage Analysis: during this activity, the agency will define how best to utilize and implement the IFS system and will determine the procedures needed to meet agency specific needs.
- Implementing Interfaces: including the design and development of external system interfaces. The State Controller's Office has set standards for interfaces that must be followed before an agency will be allowed to interface data into the IFS system.
- Data Preparation, Setup and Loading: this will address setup requirements associated with agency related functions such as grant accounting.
- Agency Specific Training: this will address any customized IFS training specific to the agency not already covered in the comprehensive IFS training to be provided by the IFS Implementation Team.
- IFS Policies and Procedures Tasks: this will address how required IFS policies and procedures will be adopted by the agency.
- Hardware, Software and Network Readiness Tasks: this activity will insure that the agency has the resources to fully utilize the IFS system.
- IFS Security Tasks: the agency will associate users with predefined profiles for the various IFS functions.
- Change Leadership: agency support for change management will be key to a successful transition to IFS. The IFS Implementation Team will provide direct support as needed in areas such as Analysis and Communication Planning, Organization Design and Workforce Transition Planning.

The IFS Agency Implementation Approach is a comprehensive plan that addresses not only the requisite tasks to insure successful implementation by agencies, but also provides for direct assistance with each step of the transition process. The IFS Implementation Team has been organized into specific roles to assist the agencies with the implementation of IFS. These roles include:

- IFS Contact (IC): each agency will be teamed with an IC from the IFS Implementation Team. The IC will act

as a conduit for all implementation activities and communications between the Agency Team and the IFS Implementation Team.  The IC will focus and organize IFS implementation information for the agency's use, insure that the agency's needs are being addressed and insure that the right technical and functional assistance is provided to the agency.

- Functional Agency Support Staff:  this staff will provide functional expertise to the agencies.  They will work across Agency Teams and will be scheduled as-needed.
- Technical Agency Support Staff:  this staff will provide technical expertise.  Like the Functional Agency Support Staff, this staff will provide support across all Agency Teams and will be scheduled as-needed.

More information about the responsibilities and roles of the IFS Implementation Team and the Agency Teams is included in Section 3 of this manual.

## Agency Implementation

**Phase I**

Hardware,
Software,
Network
Readiness

IFS Agency-specific Policies and
Procedures Development

IFS Security Determinations
and Establishment
for Agency Users

IFS System Training

IFS On-Site
Support

Agency Interface Development - Non IFS

Transition Management and Agency Communications

Phase II   >

Phase III   >

IFS system
enhancements
development

Post -
Implementation

This manual is the key reference for planning and executing the IFS implementation at the agency level. All the activities shown in **Figure 1** (Page 8) are fully described in Section 6 of this manual. Section 6 will give the agency a better understanding of the implementation structure. Implementation information for each activity is presented in a way to make these materials as easy to use as possible. Each activity is printed on a separate page or set of pages to allow the agency to easily photocopy and distribute the implementation information to Agency Team members as needed. The numbering conventions for each activity and its associated forms and checklists has been standardized to assist the agency in identifying related forms and checklists.

Ultimately, successful implementation of IFS by an agency rests with the agency. The Agency Implementation Approach provides the tools, resources and materials to meet this objective.

# 3   Project Organization

This section of the AIM contains information to help you understand how we have organized to develop and implement IFS.  You will find key project organization information, contacts, and responsibilities.  There is also information regarding the IFS Project Communications.

**Figure 2** (below) shows the organization of the Nevada personnel on the IFS project.  American Management Systems (AMS) was selected to assist the State with the implementation of the IFS system.
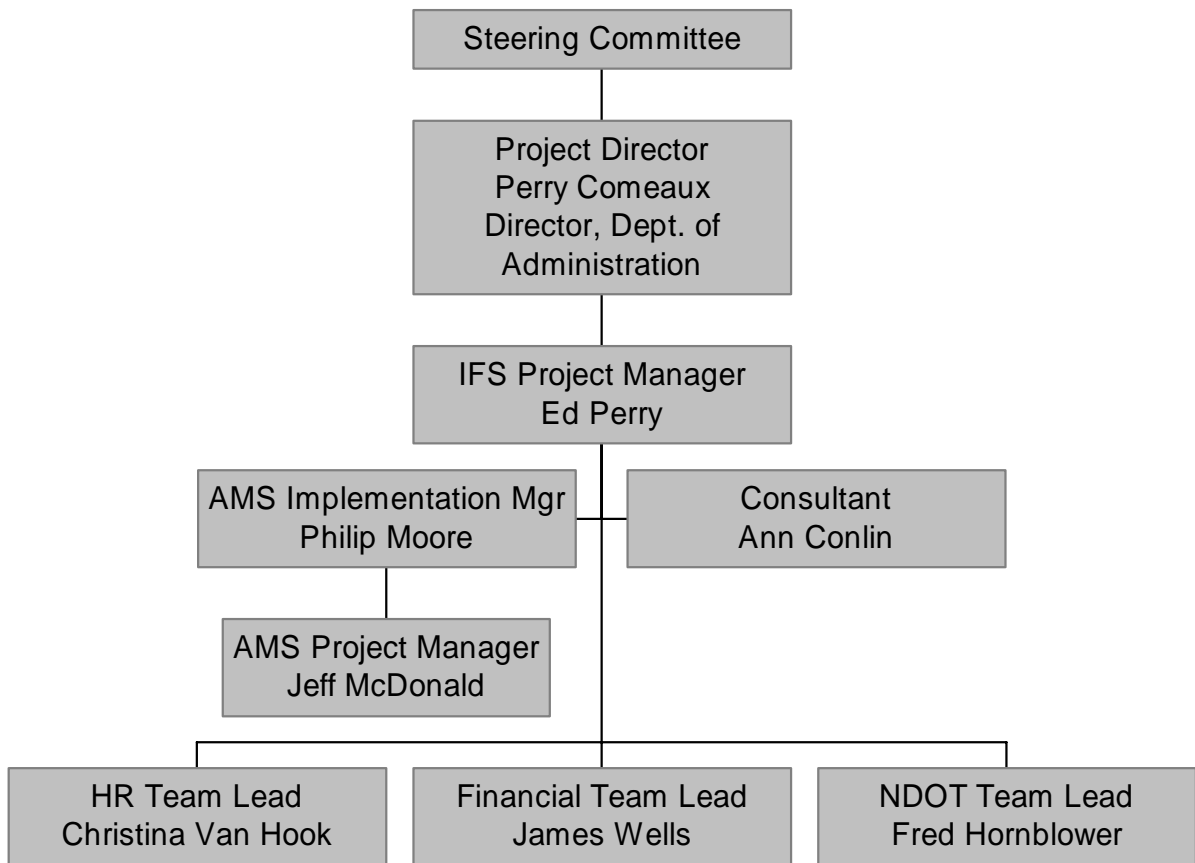


**Figure 2.  IFS Project Personnel**

**Figure 3** (below) shows the organization of the Financial Implementation Team.
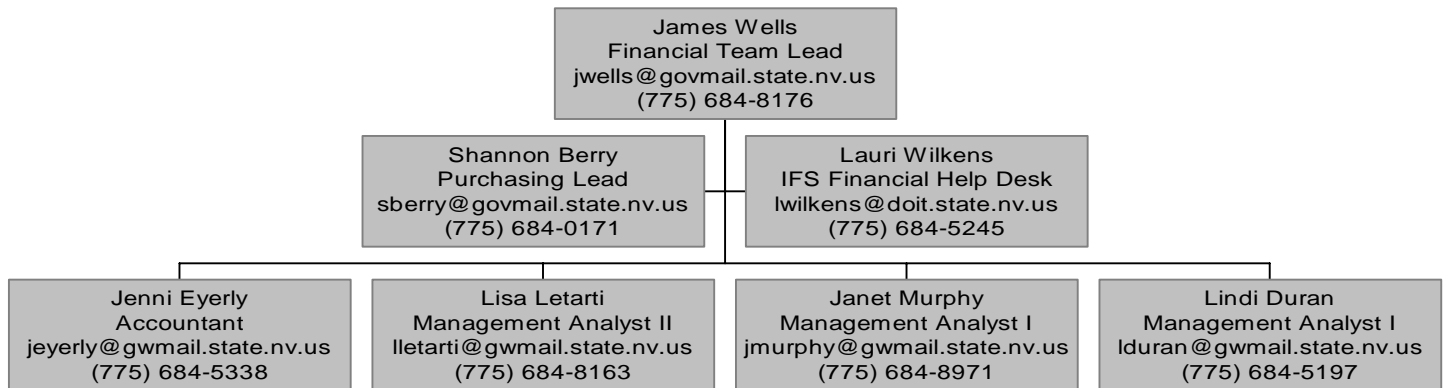


**Figure 3. Financial Implementation Team**

## 3.1    IFS Project Management Process

The IFS Implementation Team will provide assistance to the agencies to support their implementation of IFS. This section of the AIM describes the structure of the support to assist the agency implementation efforts.

The focal point of contact for implementation activities within each agency is the Agency Implementation Contact (AIC). This individual will be assigned by the agency and will be responsible for coordinating the agency's IFS implementation. The IFS Implementation Team will assign an IFS Contact (IC) to assist the AIC with the implementation activities.

The IC will work with the AIC to complete the Agency System Usage Analysis. This will lay the groundwork for the agency's implementation. The AIC and the IC will determine the best method of communicating with the agency staff in order to gather the necessary information for IFS implementation. In order to maintain an organized environment, it is expected that all IFS agency implementation activities and decisions will flow through and be coordinated by the AIC.

For ongoing tracking and reporting to the IFS Implementation Team, the AIC/IC teams will follow the structure of the implementation activities laid out in this Manual and use the checklists and forms provided. For an overview of the tasks and checklists, see Section 6 of this manual.

The checklist process outlined in Section 6 of this Manual is a key tool for the IFS Implementation Team. This information will be gathered and reviewed in order to improve our agency implementation efforts and provide the best assistance available to the agencies.

## 3.2    IFS Implementation Team Roles, Responsibilities and Contacts

The IFS Implementation Team is made up of staff from the State Controller's Office and the State Purchasing Division. The IFS Implementation Team Staff is supported by staff from AMS, from other outside consultants and from other Controller's Office personnel. The IFS Implementation Team was created to assist the agencies

with all aspects of implementing IFS.

The IFS Implementation Team is responsible for defining and implementing a standard model of operations for the IFS system. The IFS Implementation Team is also responsible for providing assistance to agencies as they implement IFS, including fostering change management within the agencies and providing training to the end-users. Finally, the IFS Implementation Team is responsible for post-implementation support for the agencies.

**Table 1** (below) provides information about IFS Implementation Team contacts:

<div align="center">

**Table 1. IFS Implementation Team Contacts**

</div>

| NAME | E-MAIL | PHONE |
|---|---|---|
| Jim Wells | Jwells@govmail.state.nv.us | (775) 684-8176 |
| Jenni Eyerly | Jeyerly@gwmail.state.nv.us | (775) 684-5338 |
| Lisa Letarti | Lletarti@gwmail.state.nv.us | (775) 684-8163 |
| Janet Murphy | Jmurphy@gwmail.state.nv.us | (775) 684 8971 |
| Lindi Duran | Lduran@gwmail.state.nv.us | (775) 684-5197 |
| IFS Financial Help Desk (Lauri Wilkens) | Lwilkens@doit.state.nv.us | (775) 684-5245 |
| Shannon Berry | Sberry@govmail.state.nv.us | (775) 684-0171 |

## 3.3    Agency Team Roles and Responsibilities

Agency teams, defined at the Kickoff meeting, are ultimately responsible for implementing IFS within their agencies. Agency Implementation Contacts are responsible for coordinating agency resources to determining the best approach for implementing IFS and for addressing any agency-specific needs.

For implementation purposes, Agency teams are responsible for documenting their internal controls. Agency internal controls must be reviewed and approved by the Office of Financial Management, Training and Controls prior to implementing IFS.

Agency teams are also responsible for insuring their staff is adequately trained in the use of IFS and the agency's policies and procedures. System training will be offered by the Controller's Office at the IFS training facility on a continual basis to accommodate staff turnover on a space available basis.

## 3.4    IFS Project Communication

The IFS Implementation Team considers communication to be an important element of the statewide implementation. Because of its importance, the IFS Implementation Team has developed a communication strategy for disseminating information to the agencies. This strategy includes activities designed to keep users informed of IFS progress and events related to IFS implementation. The IFS Implementation Team encourages participation and feedback throughout the implementation process.

To insure agencies and users receive necessary IFS communications, the following process has been

implemented:

- Agencies will designate IFS communication contacts who are responsible for insuring communication within their agency and encouraging interaction between the users and the IFS Implementation Team.

- The agency communication lead will provide users with monthly communications to insure a clear, frequent and consistent message.

- AICs will provide agency management with information, materials and contacts to anticipate and respond to user concerns.

- AICs will be the primary contact for the IFS Implementation Team. The IFS Implementation Team will direct all communication to the AIC. The AIC will be responsible for distributing information or for collecting information requested and returning it to the IFS Implementation Team. The AIC and the IC should develop an understanding of how information is to be distributed from and returned to the IFS Implementation Team. This includes procedures for when either the AIC or IC is not available.

- Agency Implementation teams will conduct feedback sessions.

- Communication methods include:

  - Printed, electronic or web-based newsletters.
  - Electronic messaging to users with this capability.
  - Management messages to their agencies.
  - Face-to-face and informal communications.
  - Agency information and feedback sessions.
  - Statewide user group question and answer sessions.

### 3.4.1 Primary Forms of Communication

The following are the primary forms of communication used by the IFS Implementation Team:

- **Groupwise** – Groupwise is the standard medium for e-mail communications and document distribution to team members within IFS.

- **LAN** – A dedicated LAN location is available for the IFS Project Team. The LAN is organized into a variety of directories pertaining to the organization of the project. These directories contain information relating to the overall implementation of IFS.

- **Voicemail** – All IFS Implementation Team members have voice mail, including the AMS staff and the outside consultants. Phone numbers are provided on the IFS project communication list.

- **Physical Mail** – All IFS Implementation Team members have access to physical mail. Physical mail locations are provided on the IFS project communication list.

- **Fax** – All IFS Implementation Team members have access to a fax. Fax numbers are provided on the

IFS project communication list.

- **Internet** – Important information regarding the IFS Project is accessible via the Internet at http://www.state.nv.us/controller/home6.html

## 3.4.2   List Maintenance

The IFS Implementation Team has designated a member to be responsible for maintaining the IFS project communication list and the IFS e-mail distribution list of agency contacts.  These lists are updated as needed.  The most recent copy of the IFS project communication list is located on the IFS LAN, while the e-mail distribution list is contained in Groupwise, accessible to all IFS team members.

The IFS Project maintains a Project Library of printed materials and a shared Project LAN directory of electronic materials.  There are electronic and hard copies of all versions of approved deliverables for the IFS Project. Documents are accessible to all Project members for review.

## 3.4.3   Kickoff Meetings

Kickoff meetings are to be scheduled for each major project event by the IC/AIC team.  Each kickoff meeting will serve as the formal start of the agency implementation and bring together all individuals who are associated with the project.  The following guidelines should be followed when preparing a kickoff meeting:

- The Financial Team Lead will review the presentation with the IC.

- Ample notification to the individuals who will be invited to the kickoff meeting.

## 3.4.4   External Communications

The IFS Project Director will review and approve all external communications relating to the IFS Project if the communication involves the release of oral or written information about the project to:

- Entities outside of the state government.
- Electronic or print media (news media, magazines, etc.).
- Public or private forums on the internet.

# 4    IFS System Overview

IFS will be implemented as a single enterprise wide solution based on five underlying application products. The Desktop is the Graphical User Interface (GUI) utilized by a majority of the agencies to access the system. The HR/Payroll and Department of Transportation modules are dedicated to Human Resource and Payroll management and DOT specific needs respectively. These three components feed information directly into the ADVANTAGE database. Information is then exported into the Data Warehouse which is used as a reporting tool for the agencies. These components are integrated to achieve the overall IFS vision. **Figure 4** (below) illustrates the preliminary vision for integration points between the IFS application products as well as probable interfaces with external systems.
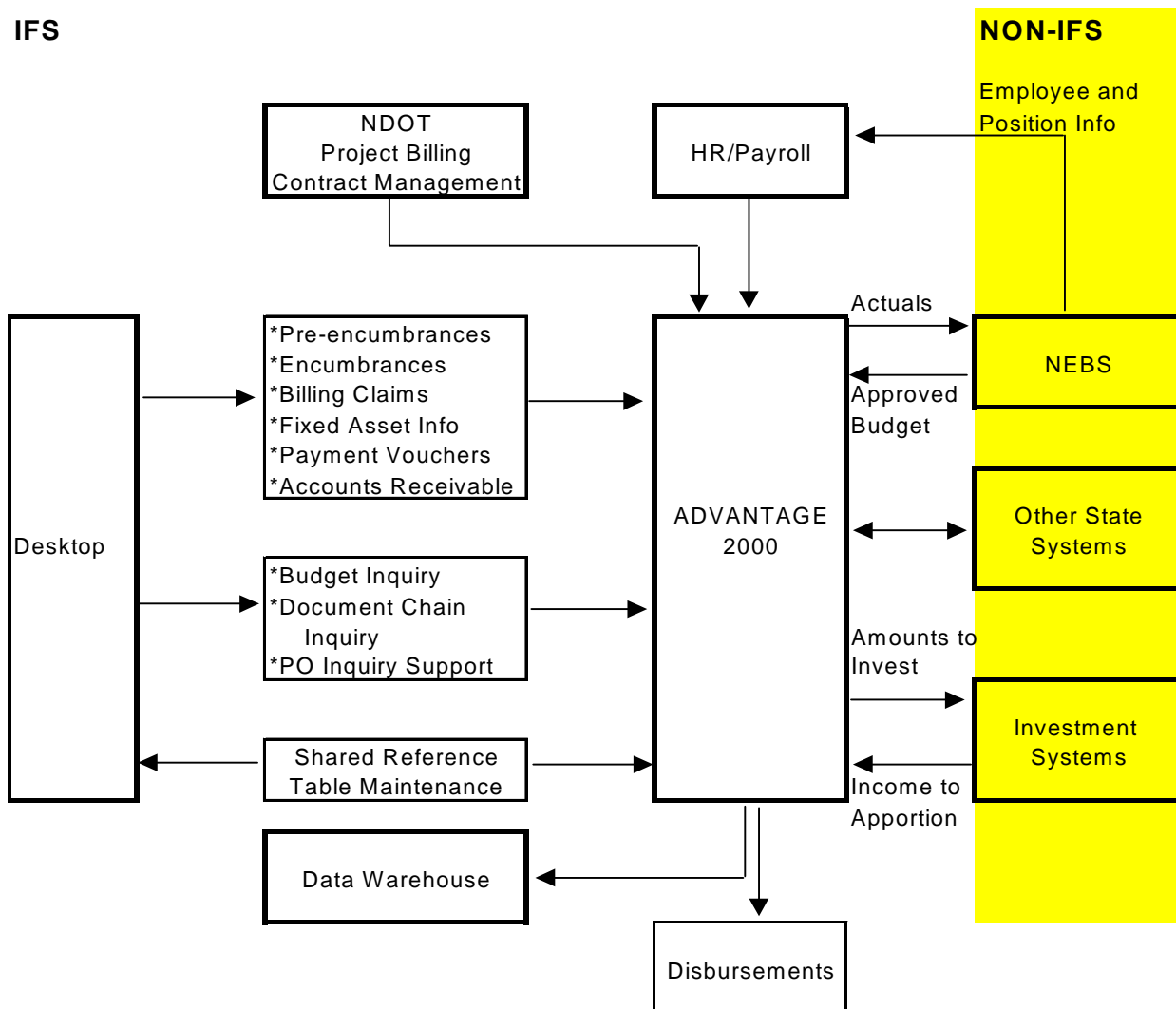


**Figure 4. IFS Components Diagram**

## 4.1    IFS Overview

For an overview of the ADVANTAGE system, please refer to the following document:  IFS Overview (PowerPoint Presentation).  The presentation can be found at the following location on the IFS LAN: Ifsfinal/Advantage Product Training/General.  This presentation is available to agencies upon request.

## 4.2    IFS Interfaces Overview

IFS is an enterprise-wide concept.  While the State is slowly replacing the centralized FMIRS systems with IFS, many agencies have their own financial systems for conducting agency-specific business, some of which were not supported by FMIRS.  Some of these systems had interfaces with FMIRS to conduct their agency's business while other agencies keyed their information to FMIRS through SCOOTER or SOLVE.  The functionality of IFS will replace some of these agency systems while others will remain and might interface with the IFS system.  The *Standards and Requirements for Uploading Data to the Controller's Office using the ADVANTAGE System* document provides the approach taken by the IFS project to determine and implement interfaces from external systems where appropriate.  The specific steps required to develop an interface between the agency system and the IFS system are incorporated in this document.

Two of the prime objectives of the IFS concept were to reduce statewide development and maintenance costs through the replacement of redundant systems and to streamline development, testing and maintenance of interfaces.  The relative cost of these objectives must be balanced against the implementation effort associated with replacing these systems.  The goals and objectives of the interface strategy are to:

- Limit the number of interfaces.

- Develop a standard interface architecture (e.g., interface model) to provide consistency for existing and future systems.

- Avoid special-purpose interfaces that IFS cannot accommodate through the interface model.

- Integrate as many existing functions as possible into IFS to limit the number of interfaces required.

A major goal of the IFS Project is to provide a full set of functionality to the State so interface requirements can be minimized.  There are several factors influencing the scope of interface development, including:

- IFS' capability to replace functionality.

- The business cases for potential replaced or interfaced systems.

- Cost/Benefit analysis and the ability to preserve existing systems and interfaces.

- Limitations on the resources available to design and develop interfaces.

The success of the IFS interface effort is dependent upon a clear understanding of responsibilities by all parties involved and addressing assumptions that could impact the success, quality and timeliness of implementing interfaces.  Assumptions made in the development of the interface strategy include:

- The interfaced systems will contain the appropriate account coding structures.

- The responsibility for designing and developing interfaces to agency maintained systems is the Agency responsibility.

- All interface transactions will be year 2000 compliant.

- Multiple systems will be able to use a common interface, thus further limiting the number of IFS changes.

- The current plan is to use the database utilities provided in IFS and Middleware to implement IFS interfaces.

## 4.3 IFS Data Conversion Overview

The State replaced the FMIRS accounting system with IFS. It was the intent of the project to only convert summary data from FMIRS. As the implementation of IFS progresses, some legacy systems have been and will be replaced as their functionality is integrated into the IFS system. While the general intent is not to convert data from any other legacy system, we recognize the usefulness of converting detailed historical information from replaced systems to support State business objectives has been and will continue to be evaluated on a case by case basis. The challenge of the conversion effort is to incorporate legacy data into the IFS production database so agencies can continue business with minimal disruption. The *IFS Conversion Approach* provides the conversion plan for the IFS Project.

The goal of the conversion effort was to build an accurate production database and to limit the conversion of detail records to those necessary to create a viable production system. The emphasis of the conversion effort was to achieve as smooth a transition as possible to IFS without missing essential data. Any potential conversion will be evaluated to determine whether a manual (data entry) or automated conversion is appropriate. Data integrity risks are minimized through backup and recovery procedures and through system stability efforts.

The IFS Project has made some provision for converting legacy data into the IFS system. The IFS Implementation Team is responsible for evaluating conversion requests. It is expected that the data mapping from the legacy system to IFS is straightforward. It is assumed that the IFS Project has:

- Converted FMIRS data to populate the IFS reference production database (e.g., vendor records, chart of account elements, outstanding transactions, etc.)

- Converted summary totals and balances only for the period of July 1, 1998 to December 31, 1998.

- Limited the number of automated conversions when manual conversions are more beneficial (e.g., where small amounts of data or highly complex data relationships are involved).

- Developed tables to crosswalk FMIRS codes to IFS codes to be used by the conversion team to accurately interpret existing data.

Because all of the legacy data has not been converted to the IFS system, there will be a need to maintain some of the legacy systems for a period of time to handle historical inquiries. All data required to continue daily operations of the State was converted prior to the cut over to IFS. All converted data was reconciled to the FMIRS system as part of the Fiscal Year 1999 closing.

Agency level legacy system data will not be converted into the IFS System.

## 4.4 IFS Security Overview

One of the primary functions of any financial system is to maintain data integrity. A key component of maintaining data integrity is the successful implementation of security administration. System security is a critical aspect in the implementation of IFS and a key area within application administration. System security administration is an evolving process that takes into account new, changed, and out-dated requirements.

The IFS security components and data setup are handled centrally by the IFS Project. This includes insuring that users have the appropriate authorities and maintaining the chart of account data. The agency participation in IFS security administration is critical and essential to successful IFS implementation. It is up to the agencies to provide specific information on the needs and uses of the system to allow the security to evolve and grow throughout the life of the project. The goal of IFS system security is to be as transparent to the user as possible while maintaining a high level of functionality and data integrity.

Agency implementation of security requirements is required for both system level security and application security. System level security refers to the environment security such as network user rights and what applications can be used. Application security refers to how users can use the various components of IFS (i.e., what information can be viewed and what data can be updated). The agencies will have the most influence over the application security areas of the IFS Project.

The following security information must be determined by the agency and provided to the IFS Team:

- Users of the various IFS components (i.e., who needs access to accounting information and who needs access to Human Resource information).

- User rights and privileges based on the function and/or role (i.e., who can approve payment vouchers and who can enter purchase requisitions).

While there are guidelines in place to dictate the boundaries of agency responsibility, the agency can define the information within these guidelines. For example, guidelines can dictate that a particular business function requires agency and Controller's Office approval. The agency can define the "how" of the agency approval.

There are models set up for agencies to follow in preparing their security information. Agencies will participate in establishing security models within their agency and insuring the staff have adequate security authority to apply the agency model.

# 5    IFS Enterprise Model

The IFS project aims to streamline and reduce the cost of State administrative processes, increase support for administrative workers and managers and improve service to end users.

The vision for IFS includes four major components:

- Desired benefits.
- A clear achievable plan.
- A comprehensive approach.
- Continuous improvement.

Each of these components is discussed below.

**Desired Benefits**

IFS was launched as a re-engineering project and was approved, in large part, based on the benefits it would provide. As such, when fully implemented, IFS should provide a clear set of improvements, including:

- Improved ease of use over the current system (FMIRS).

- Automation of some of the cumbersome manual processes.

- Replacement of many paper based input processes with electronic workflow.

- Establishment of electronic report distribution.

- Improved management reporting and decision support.

- Reduction in the number of agency level accounting systems.

- Reduced maintenance effort and cost.

- Increased flexibility in delegating data entry, authority, and source document custody.

Measuring some of these benefits is a difficult process. The agencies will be asked to assist the IFS Team in evaluating the expected benefits and actual results.

**A Clear Achievable Plan**

The IFS Plan should be achievable, easily understood and guided by clear priorities. While achieving these goals is important, the project will attempt to avoid the trap of treating all priorities as being of equal value. In order to define scope and priorities, the following guidelines will be observed:

- Replacing essential functionality and achieving financial savings
- Conducting a smooth cutover with well prepared users.

- Achieving non-critical benefits is a secondary goal.

It should be recognized that the full range of IFS improvements will not be evident until IFS is completely stabilized in the production environment, old systems are fully decommissioned and user competence with the new software rises with experience. Measurement of system benefits should not occur until a full transition to the software has occurred. This transition is expected to be completed by June, 2003.

**A Comprehensive Approach**

In order to provide the desired benefits, the IFS Project must be comprehensive in both its implementation scope and its approach. Its scope is enterprise wide, and with some exceptions, includes all financial management functions for all State institutions. In this regard it will not only be the official book of record for the State, but will also become the primary vehicle for administrative data entry, processing and reporting for all branches of government and for all Executive Branch agencies.

The implementation approach must be equally comprehensive in that it must blend the appropriate technology, functionality, policies and procedures to meet the needs of the agencies; insure users are adequately prepared and trained to use the system and capitalize on the opportunities; and significantly involve all affected management structures and users to insure their needs are met and that the project proceeds with their informed consent.

# 5.1 Process Descriptions/Flowcharts

The process descriptions below were initiated by the IFS Project to create a vision of a redesigned administrative services environment. These redesigned processes are enabled by the AMS software package selected for the IFS Project, and their usage was determined during the analysis and design phase of the IFS Project.

The Business Functions, representing the major operational areas of the IFS Project, were defined as:

- Budget Execution.
- Fixed Assets.
- Purchasing and Payables.
- Revenue and Receivables.
- Disbursements.
- Projects, Job Costing and Grant Accounting.
- General Accounting.
- Chart of Account Establishment/Maintenance
- Reporting Capabilities

Business Processes are the component activities within each Business Function. The Business Processes are the common work steps or procedures followed to produce a given output or result for a given business event. The identification of the Business Processes within each Business Function was a critical component of the IFS Business Process Analysis task. The IFS Business Analysis documentation is organized in a hierarchical structure consisting of three levels. The Business Functions are at the top of the hierarchy with Business Processes at the second level. The final tier of the hierarchy consists of Business Scenarios and Procedure Steps. These are the everyday events (scenarios) and how to process them (steps) in the IFS System.

## 5.2    Budget Execution

The budget development process includes all steps necessary to generate an approved budget for the State.  The approved budget serves as the financial plan for the State.  The budget development process uses the Nevada Executive Budgeting System (NEBS) to prepare the Executive Budget for submission to the Legislature.

Once the Legislature has enacted the final budget, it can be loaded into the IFS System.  There are several steps to load the budget into the IFS System.

- Modifications, deletions and additions to Operating budget appropriation account codes.
- Certification of appropriation amounts.
- Loading of appropriation amounts into the IFS System.
- Additional process for certifying and loading surplus spending plan dollar amounts into the financial system.

**Management Budgets**

Management budgets will be addressed in Section 5.9 of this document.

**Budget Modifications**

Modifications to the current approved budget may be made through administrative processes at any point during the budget cycle.  The Budget Director has the authority to approve transfer modifications through an administrative process.  Appropriation increases must be approved by the Board of Examiners and the Legislative Interim Finance Committee before they can be loaded into the IFS System.

To request a budget modification, the agency needs to submit a work program justifying its request along with supporting documentation to the Budget Division.  The assigned budget analyst reviews the request, collects additional information as necessary and approves the modification based on the delegation of authority within the Budget Division.  Once approved, the budget modification is loaded into the IFS System through the authorization of the Controller's Office.

## 5.3 Chart of Account Establishment/Maintenance

The State Controller's Office maintains all elements of the Chart of Accounts within the IFS System. The CAFR Reporting Section is responsible for the maintenance of all statewide Chart of Accounts elements (i.e., fund, object, revenue source, etc.) while the Agency Services Section is responsible for the maintenance of the agency level Chart of Accounts elements (i.e., appropriation unit, organization, job number, etc.).

The following represent the Chart of Accounts elements the IFS Team has determined the State agencies will use and a brief description of the suggested use for the various elements and whether they are required or optional. The IFS Team will assist the agencies in determining the best usage for the various Chart of Accounts elements.

**FUND** – (Required) – A three digit code that represents the high level grouping the transaction is being charged or credited to (i.e., 101 – General Fund). Fund numbers are assigned by the Controller's Office based on approved legislation requiring the segregation of revenues and expenditures for certain functions. Funds can be used by multiple Agencies, Organizations and Appropriation Units.

**AGENCY** – (Required) – A three digit code that represents the Cabinet Level Department and Division of the transaction (i.e., 083 – Department of Administration, Purchasing Division). Agency numbers are assigned by the Controller's Office at the direction of the Budget Division based on approved legislation to identify the various reporting entities designated by the Legislature. Agencies are specific to a single Division and represent the fundamental basis of the IFS System account string. All IFS System security restricts access to documents and tables by Agency code. Agencies can have multiple Organizations and Appropriation Units and can be used in multiple Funds.

**ORGANIZATION** – (Required) – A four digit code that represents the Division or sub-division of an Agency in a transaction (i.e., Agency 741, Organization 3100 – Department of Business and Industry, Insurance Division (Division), or Agency 408, Organization 0200 – Department of Human Services, Mental Health/Mental Retardation, Nevada Mental Health Institute (sub-division)). Organization numbers are assigned by the Controller's Office either at the direction of the Budget Division based on approved legislation (for Division-level Organizations) or at the request of the Agency (for sub-divisions and internal breakdowns required by the Agency). Organizations are specific to an Agency and are an important element of the IFS System account string. IFS System security can also restrict access to documents and tables based on the Organization code. An Organization number can be used by various Agencies to represent different division units of the different Agencies. Organization codes can have multiple Appropriation Units and can be used in multiple Funds.

**SUB-ORGANIZATION** – (Optional) – A two digit code that the Agencies can use to further break down their Divisions/Departments.

**APPROPRIATION UNIT** – (Required) – A six digit code that represents the old budget account and category for a transaction (i.e., 113004 – State Controller's Office Operations). Appropriation Units are assigned by the Budget Division and are established by the Controller's Office to account for the Agency's legal level of budget responsibility. Appropriation Units are specific to Fund, Agency and Organization and are the key to the accounting string. Appropriation Units can not be used by different Agencies.

**FUNCTION** – (Optional) – A four digit code whose use is defined by the Agency. Function codes are set up by the Controller's Office at the request of the Agency within a predefined range established by the Controller's Office. Function codes can not be used by different Agencies.

**ACTIVITY** – (Optional) – A four digit code whose use is defined by the Agency. Activity codes are set up by the Controller's Office at the request of the Agency within a predefined range established by the Controller's Office. Activity codes can not be used by different Agencies.

**JOB NUMBER** – (Optional) – An eight digit code whose use is defined by the Agency. Job Numbers are set up by the Controller's Office at the request of the Agency within a predefined range established by the Controller's Office. Job Numbers can not be used by different Agencies.

**BALANCE SHEET ACCOUNT** – (Conditionally Required) – A four digit code that represents a Balance Sheet General Ledger Account (i.e., 1000 – Cash). Balance Sheet Accounts do not affect Appropriation Units and do not show up on Agency reports. Balance Sheet Accounts are generally used only by the Controller's Office. Balance Sheet Accounts are required when neither Revenue Sources nor Object Codes are used. Balance Sheet Accounts are also used as offset legs of other transactions (i.e., Balance Sheet Account 2000 – System Vouchers Payable is the offset used by the IFS System when a Payment Voucher is entered). These offset legs are invisible to the end user but are necessary for dual entry accounting.

**REVENUE SOURCE** – (Conditionally Required) – A four digit code that represents monies being collected to support the operations of the State, such as taxes or grant receipts (i.e., 3500 – Federal Receipts). Revenue Source codes are generally used on Cash Receipt documents. Revenue Source codes are required when neither Balance Sheet Accounts nor Object Codes are used.

**OBJECT CODE** – (Conditionally Required) – A four digit code that represents monies being expended by the Agencies to further their missions, such as payroll, travel or operation expenses (i.e., 7020 – Operating Supplies). Object codes are generally used for Requisition, Purchase Order and Payment Voucher documents. Object codes are required when neither Balance Sheet Accounts nor Revenue Sources are used.

**REPORTING CATEGORY** – (Optional) – A four digit code that will be used for Federal Aid Management. This field is not currently being used.

## 5.4    Purchasing and Payables

The IFS Project Team analyzed the activities within the purchasing, payment and disbursement functions and the specific scenarios that may be encountered in each process.  The following 10 business processes were identified as part of the Purchasing and Payables business function.  The disbursement function is covered in Section 5.5.

1.  Vendor Registration.
2.  Updating Vendor Information.
3.  Purging Vendors.
4.  1099 Reporting.
5.  Solicitation Process.
6.  Contract Management.
7.  Receiving Goods or Services.
8.  Matching Processes.
9.  End of Fiscal Year Processing.

### 5.4.1    Vendor Registration

Requests to register new vendors can initiate from State agencies or from vendors themselves.  In order to be added to the State's vendor database, a new vendor must submit an IRS Form W-9.  This form includes name, address, phone number, contact information, tax identification number, and information related to the company's tax status.  Vendors can not be awarded a contract or receive a payment until this information has been submitted. The State has determined that there will be central ownership of vendor files, and activation and maintenance of vendor profiles will be performed by a central source (Controller's Office Vendor Desk).  The Controller's Office reserves the right to withhold payments to vendors if they do not submit the necessary information.  Access to Social Security Numbers and vendor banking information will be restricted to users with specific authority.

### 5.4.2    Updating Vendor Information

The State recognizes that vendor information can change at any time.  Data such as address, contact, banking information or payment terms can change or be renegotiated.  In order to insure the most accurate information is reflected in the vendor database, vendors are required to submit a revised IRS Form W-9 for any changes to their profile as often as necessary.

### 5.4.3    Purging Vendors

The State hopes to keep its vendor database as up-to-date as possible with the most accurate information.  The State would also like to keep the size of the vendor database at an optimal level and delete those vendors that no longer conduct business with the State.  To do this, vendors will be purged at regular intervals depending on various thresholds and variables.  The State will define purge criteria (i.e., no payments in 24 months and no outstanding purchase orders, etc.) and mark vendors that meet the criteria for deletion.  The purge program will be run at regular intervals and a report of the vendors purged will be maintained in the Controller's Office.  The purge program will remove the purged vendors from the vendor database.  These vendors will no longer be available for use by State agencies.  If an agency needs to pay a vendor who has been purged, the vendor will have to re-submit their IRS Form W-9 information to the Controller's Office Vendor Desk to be re-registered in

the vendor database.

## 5.4.4   1099 Reporting

The Controller's Office is responsible for 1099 reporting.  The State has established certain object codes to be "1099 reportable."  These codes are used in conjunction with the tax status of the vendor to determine whether a 1099 is required for the vendor.  Vendors are responsible for notifying the Controller's Office Vendor Desk of a change in their tax status.  A list of reportable object codes is available from the Controller's Office Agency Services Section.

## 5.4.5   Solicitation Process

**Identifying a Need**

When an agency identifies a need for a good or service, the first step is to determine the different sources from which the item is available.  If the item is part of an active Price Agreement or vendor catalog, the agency should be able to process an order for the item.  If the item is not on an existing agreement, the agency may create a Purchase Requisition or purchase the item directly from an outside vendor (small dollar purchases, Procurement Card).  If a Purchase Requisition is needed, the IFS System will validate the funds available and pre-encumber the funds from the agency's budget account.

**Develop Solicitation**

The State of Nevada Purchasing Division solicits several types of bids from vendors for active requisitions and for potential contracts.  The Purchasing Division can use the Purchase Requisition to create various solicitation types (RFI, RFQ, RFP), and then incorporates the State's terms and conditions and best value criteria into the solicitation.  The Purchasing Division sends the solicitation out based on a Bidders List for vendors that have registered for an identified commodity.  If it is necessary to modify a solicitation, the Purchasing Division will notify all vendors on the Bidders List and any who have requested a copy of the solicitation by the most practical means available.  The Purchasing Division can also choose multiple methods for awarding a contract – by line item, by group or all-inclusive.

**Solicitation Response/Evaluation**

The vendors will prepare and submit responses of the solicitation to the Purchasing Division.  This will include responding to the Best Value Criteria defined in the solicitation.  The Purchasing Division will accumulate and evaluate the responses to the solicitation based on the information submitted by the vendors.  The Purchasing Division must document the evaluation and selection criteria prior to the solicitation.  Once the buyer has ranked the vendors and selected the most appropriate vendor, the Purchasing Division must also document the contract negotiations and the award justification.

The buyer will tabulate and organize vendor responses to the solicitation to provide information by line item, line grouping and aggregate to allow a buyer to award a contract based on any of these methods.  The buyer will also integrate the Best Value Criteria into the bid evaluation and scoring.

## 5.4.6   Contract Management

**Use of Price Agreement Contracts**

After certain solicitation processes, the State will create Price Agreement contracts for a variety of goods and services.  These contracts are used to document an agreement between the State and a vendor who will provide goods or services at pre-defined terms, conditions and unit prices.  Personal Service Contracts are included in this process.  Price Agreement contracts place price ceilings on both the entire contract value and individual line items.  Price Agreement contracts also include information such as effective dates, tolerances, payment terms and specifications.  State agencies who need to obtain goods and services will be able to order from an active Price Agreement contract without having to renegotiate the terms, conditions and specifications.  The Purchasing Division can also associate catalogs with the Price Agreement contracts.

The Purchasing Division will track consumption of goods and services with vendors on a contract by contract basis, and will establish effective dates and extension periods for each contract.  They will also be responsible for monitoring contract milestones, tracking contract modifications and managing protests and complaints.

**Use of Purchase Orders**

If the item requested by the agency is not already included in an existing Price Agreement contract, the Purchasing Division will create a Centralized Purchase Order (PC) document after the solicitation process is complete.  The PC will include the approximate delivery date and the unit prices agreed upon based on the selected vendor's solicitation response.  The PC will be encumbered against the requesting agency's budget account, and a copy of the Purchase Order will be sent to the selected vendor and the ordering agency.

## 5.4.7   Receiving Goods or Services

The receiving process consists of accounting for goods and services provided to the State and matching them back to existing orders.  This is done by entering a Receiver (RC) document into the IFS System.  A RC document references a purchase order and records the physical receipt of goods or services by individual purchase order line.  It includes the quantity of items received and whether the order was completely filled or not.  The RC document is required to complete the three way match to initiate payment to the vendor.  RC documents should not be entered if the goods or services were received in error due to an incorrect order or false shipments, nor if the goods were damaged or rejected at the time of receipt.  These items should be returned to the vendor and the Purchasing Division should be notified.

## 5.4.8   Matching Processes

**Three-Way Match**

The typical purchasing process requires three documents be present before processing a payment for a vendor.  Whenever possible, agencies will use this method for ordering, receiving and invoicing goods and services.  The first document is the purchase order or price agreement contract (order).  The second document is the receiver document acknowledging the receipt of goods or services (receipt), and the third document is an invoice from the vendor requesting payment (invoice).  This process is called three-way match.  After the three documents (Purchase Order, Receiver and Invoice) have been entered into the IFS System (via on-line PC/PG, RC and VI

documents respectively), the system will automatically generate a Payment Voucher (PVA) and a check to pay the vendor. The system will only generate a PVA for the lesser amount of the three documents. It is imperative that the agencies enter their RC documents in a timely manner in order to get vendors paid.

### 5.4.9   End of Fiscal Year Processing

All State funds should be obligated by June 30th of each fiscal year. Purchase Requisitions must be submitted by this date in order to be considered for the current fiscal year. The Purchase Orders created from these requisitions should be closed (i.e., goods or services received and invoice received from vendor) prior to the Purchasing Division's year-end cutoff date (around the 20th of August each year). If it is impossible to close all Purchase Orders by this date, the IFS System has a mechanism for "rolling" the Purchase Orders to the next fiscal year. The Purchasing Division sends out a list of open Purchase Orders in early August with instructions for the agencies to determine whether the Purchase Orders should be rolled forward or lapsed (closed with the corresponding order cancelled with the vendor). These lists should be returned to the Purchasing Division by the date on the instructions. The system default entry is to lapse the Purchase Orders, so not responding to the Purchasing Division will result in the outstanding Purchase Orders being cancelled.

The Controller's Office also sends out end of fiscal year instructions to the agencies stating the last day to submit documents and the last day to fix rejected documents in the system. These dates should be adhered to, as failure to do so may result in the agency being forced to process a bill as a stale claim.

## 5.5    Disbursements

The State has two distinct disbursement areas, off-line checks and on-line checks.  Off-line checks are those disbursements received from agencies via electronic feed to the IFS System.  The checks are recorded on the Warrant Reconciliation (WREC) table and the accounting entries are recorded with an expenditure advice entered into the IFS System.  On-line checks are generated directly from the IFS System.  This document covers on-line checks only.  Inquiries regarding off-line check disbursements should be addressed to the Controller's Office.

The disbursement areas review included analysis of processes not directly related to disbursements.  They are:

- **Discounts** – Discounts will be applied to invoices when available from the vendor.  The amount of the discount will be deducted from the payment voucher (PV) document.  If payment voucher lines are marked as "Final," the entire encumbrance amount will be liquidated.  If the lines are marked as "Partial" or left blank, only the amount of the PV will be liquidated.

- **Schedule Payment Date** – The scheduled payment date field on the PV can be entered manually by the user.  The default is the PV Date of Record  The IFS System relates this date to the date the check must be cut.  Therefore, if a payment is due on the 21$^{st}$ and the scheduled payment date is entered as the 21$^{st}$, the check will be cut on the 21$^{st}$ if the automated disbursement (AD) process is run.  The vendor will not receive the check before the scheduled payment date.  The State will have to procedurally insure that AD and EF (electronic funds transfers) processes are run to allow enough time for the check or transfer to be received by the vendor by the due date.  Agencies must be aware of the timing to get a check or transfer to a vendor, and must schedule payments accordingly.  For example, if the vendor requires payment on the 21$^{st}$, the scheduled payment date might be the 16$^{th}$.  The check would be cut on the 16$^{th}$ and mailed on the 17$^{th}$.  This would leave four days to go through the postal system.  For EFT transfers, there is a three day delay.  So, if the vendor requires payment by the 21$^{st}$, the scheduled payment date should be the 18$^{th}$.  The EF is held for one day by the Treasurer's Office, the EF document will be generated on the 19$^{th}$, the file sent to the bank on the 20$^{th}$ and the vendor receiving payment on the 21$^{st}$.

- **1099 Reporting for Miscellaneous Vendors** – The IFS System has the ability to pay one-time vendors without setting up a permanent Vendor Number.  However, there is no capability to track the payments to these miscellaneous vendors.  As a result, 1099 eligible payments may not be reported correctly to the Federal Government.  Therefore, agencies are asked not to process PV documents against object codes not flagged as 1099 reportable (A list of reportable object codes is available from the Controller's Office, or they can be looked up individually on the Object (OBJ2) Table).  A modification to the system to prevent PVs from posting to a miscellaneous vendor if a reportable object codes is selected has been deferred until the extent of this problem can be determined.

- **Remittance Information** – The ADVANTAGE baseline print programs provide a limited amount of remittance information to be printed on the check stub.  The State will work with agencies to determine the best way to get their necessary information onto the check stub.  Modifications to the check printing will be kept to a minimum.

- **Petty Cash Accounts** – The State determines the eligibility of Petty Cash Accounts on a case by case basis.  The procedures for obtaining and operating a Petty Cash Account are not affected by the IFS implementation.

- **Procurement Card** – The use of the Procurement Card for State purchases is a relatively new concept. There will be one ADVANTAGE PV for each Procurement Card document. The vendor (Bank of America) will be the vendor in the header of the document. These payments will be summarized at the billing code level, so the bank will know which account to credit. The State is contemplating several options for tracking the individual vendors (where purchases were made) so that 1099 reporting information can be captured. At present, any 1099 eligible transactions must be manually tracked by the agencies and submitted to the Controller's Office by January 15th of each year.

- **Stale Dated Checks** – The State uses an automated process to void outstanding checks over a user-controlled age. The automated process records the voided check to an off-budget balance sheet account and changes the check status on WREC to "S," Stale. The amounts are held for 365 days before being reverted to the fund from which they were drawn.

All cash transactions will be recorded in IFS. Disbursements will be recorded through the Automated Disbursement (AD) process, the Electronic Funds (EF) process, through recording a Manual Warrant (MW) document or by recording an expenditure advice for Off-line checks. These documents and interfaces update various online tables and the results of the transactions are stored on offline ledgers. Reports can be created detailing check information in various formats (i.e., checks issued by check type). Online check information, such as payee name, check amount and check status are available in IFS. Deposits will be recorded in IFS by the use of Cash Receipt (CR) documents.

Listed below are the nine processes identified that will be handled in IFS:

1. Automated Disbursement – Checks/EFTs.
2. Manual Warrants.
3. Recording Returned Checks.
4. Reconciliation of Bank Accounts.
5. Canceling Checks.
6. Manual Payroll Checks (only the accounting information).

### 5.5.1 Automated Disbursement/Checks/EFTs

The automated disbursement process (this process includes both checks and EFTs) is based on the payment vouchers in the financial system. Based on the scheduled payment date on the PV, vouchers are selected to be paid. When a disbursement is made, the following accounting entry is recorded:

Dr    Vouchers Payable
    Cr    Cash

ADVANTAGE verifies the budget accounts has available funds at the time of disbursement. If there is insufficient funds, the voucher will not be paid and will show up on an exception report. The agency can either increase the budget account's funding through the submission of a Work Program, a Cash Receipt or a Journal Voucher or modify the payment voucher to move the expenditure to another accounting line.

Payment Vouchers can be manually selected for payment or placed on hold. ADVANTAGE has an online table

(SCHD) where the user can place a PV on hold, select a PV for payment, change the check category and change the single check flag. This manual intervention must take place before the AD process is started.

The issuance of a check updates the following online tables:

- Open Payment Voucher Header Inquiry (OPVH) – The payment voucher is closed and the outstanding amount is $0 and the closed amount is the amount of the disbursement.

- Open Payment Voucher by Line Inquiry (OPVL) – Each line of the PV is closed and the check number is posted to the Last Check Number field on the Check Data window.

- Open Check Header Inquiry (OPCH) and Open Check by Line Inquiry (OPCL) – These open check tables contain detail check information.

- Warrant Reconciliation (WREC, WRE2) – This table lists all checks by bank account code and check number, detailing the status, check date, cleared date, etc.

- Document History Inquiry (DHIS), Document Cross Reference (DXRF) and Vendor Cross Reference (VXRF) – These tables are updated through a batch process and details the history of the disbursement.

The State will use the Check Category (for AD) or Application Type (for EF) field on the PV to group payment voucher documents by responsible agencies. The agency must enter a Check Category or Application Type on each PV. These codes are validated against the on-line Organization Check Category (OCHK) or Electronic Funds Transfer Type (EFTT) tables. The checks and EFTs are then created based on these groupings, and are sorted in vendor order. The ACHK and ECHK reports (check registers) are sorted and distributed back to the agencies by the Check Category or Application Type, respectively. These codes also assist the Treasurer's Office in their reconciliation of PVs to checks/EFTs before actually releasing (mailing) them.

Checks will be summarized at the vendor level unless the Single Check flag on the PV document is selected. If this flag is selected, an individual check will be issued for this vendor and PV. ADVANTAGE supports the use of a single series of check numbers per bank account. If multiple check stocks are required, pre-MICRed check stock can not be used.

Once the Disbursements process is complete, the Checks will be posted to the Warrant Reconciliation (WREC) table with a status of Outstanding and are cleared through the bank reconciliation process. EFTs are posted to WREC with a status of Cleared since they are deemed to have been taken from the State's bank account as of that night.

## 5.5.2 Manual Warrant

A Manual Warrant (MW) document is a transaction used to record or generate manual checks. It is also used by the Treasurer's Office to record wire transfers. This document allows the user to reference a PV document if one has been established in the system, or the MW can stand as a PV by itself. When the document is accepted, the Last Action Date on the WREC table is updated. The accounting entry for a MW is:

Dr.    Expenditure/Balance Sheet Account (based on the accounting line of the MW)
        CR     Cash

All MW documents must be approved by the Controller's Office.

MWs are cleared through the daily bank reconciliation process.

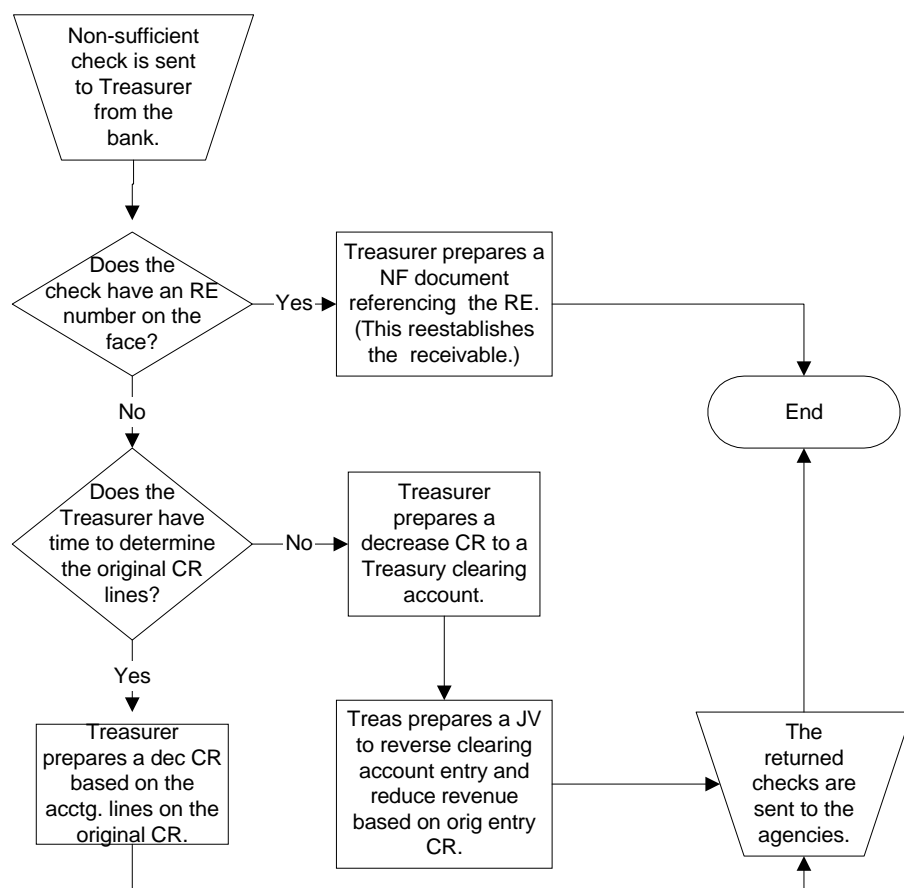### 5.5.3  Recording Returned Checks



**Figure 5. Recording Returned Checks**

Checks are returned daily from the bank for insufficient funds. The Controller's Office has requested that when possible, the Cash Receipt (CR) or Receivable (RE) document number be written on the face of the check. When a returned check is received by the Treasurer's Office, they will prepare either a Non-Sufficient Funds (NF) document, or a decreasing CR document. If a NF document is entered, the RE document number is entered in the reference field, which allows for the receivable to be reestablished.

The NF also creates a Non-Sufficient Funds Fee charge and adds it to the receivable. There is only one fee allowed by ADVANTAGE, so the NSF fee for the State has been set at $25. This fee can be waived, if desired. The NF adds an extra line to the Open Receivable Line (OREL) table with a line number of NF.

The following is the accounting entry for an NF document:

Dr     Receivable
       Cr     Cash
       Cr     NSF Fee Revenue

If a CR number is written on the face of the check, or if there is no information on the face of the check, the Treasurer's Office will prepare a decrease CR document to a clearing account or to the original lines on the CR. If the CR is entered to a clearing account, the Treasurer's Office will prepare a JV document to apply the returned check to the proper accounting distribution at the earliest possible time.

## 5.5.4    Reconciliation of Bank Accounts

All checks, electronic transfers, wire transfers and deposits will be recorded in IFS.  The reconciliation process is divided into two distinct areas: monthly and daily.

▪ **Daily Reconciliation**

**Check/Disbursement Reconciliation** - All automated disbursements, manual warrants, off-line disbursements, employee paychecks and electronic transfers will post to the Warrant Reconciliation (WREC) table. The automated disbursements will post as ADs, the manual warrants as MWs, the off-line disbursements as WFs, the paychecks as PRs and the electronic transfers as EFs.  WREC is keyed by bank account code and check number.  The disbursements, except EFs, are posted to WREC with a status of "outstanding".

On a daily basis, a tape is received from the bank detailing all checks (ADs, MWs, WFs, PRs) paid. Nightly, this tape will be loaded to the WREC table and the check numbers compared.  The status will change to "cleared" if the check is on the tape.  The cleared date field on WREC and OPCH will be updated with the check paid date.  If there are any discrepancies (checks on the tape but not on WREC, checks cleared for a different amount), these items will post to the Bank Exception (BNK1) table.  The Treasurer's Office is responsible for clearing items from the BNK1 table, with assistance from the Controller's Office or agencies when necessary.  For example, if there is a check on the bank tape that is not in IFS, someone would have to research the disbursement to ensure that the bank properly debited the State's account.  If the account was properly debited, the responsible agency would have to be identified and notified, and the check recorded in IFS.  If the account was incorrectly debited, the bank would have to be notified and the State's account corrected.

EFs post to WREC the same as other disbursements.  The EF number assigned by the system is posted as the check number on WREC.  However, the EFs post to WREC with a status of  "Cleared". The Last Action Date on the WREC table is the settlement date of the EF.  The information on WREC should be compared to the bank information.  If a discrepancy exist (dollar amounts do not match), personnel must research the items and make any adjustments necessary.

**Deposits** – All deposits will be recorded in IFS on a Cash Receipt (CR) document.  Accepted CR documents are posted to the Deposit Reconciliation (DREC) table by CR number with a status of

"Outstanding." The daily bank tape referred to above also includes daily deposit information from the bank. This tape is also loaded to the DREC table and the deposits are compared. The status will be changed to "Cleared" if the deposit is on the tape with the correct document number, date and amount. If there are any discrepancies (deposit numbers do not match, deposit amounts are different), these items will post to the BNK1 table. The Treasurer's Office is also responsible for clearing these items from the BNK1 table with assistance as needed. When the Treasurer's Office does match a deposit from the book to the bank, the DREC table status is updated with "Purged."

**Encode Credit and Debit Memos** – These are corrections of errors to the State's bank account. For example, if a deposit for $500 is mistakenly posted by the bank as $5,000, the bank must adjust the State's account by $4,500. This adjustment is a non-accounting event and has no affect on the book balance. During the reconciliation process, the deposit of $500 would be listed as a deposit in transit (not yet received by the bank), the bank deposit amount of $5,000 would be listed as a deposit in bank, not in book. These items would become reconciling items and would have to be manually cleared once corrected.

If the agency posts a CR document for a different amount than was deposited into the bank, the book amount will have to be corrected. These are done through CR modification documents or decreasing CR documents. These modifications/decreases will be entered by the Treasurer's Office. The book and bank deposits will show as reconciling items until the correction is processed. For example, if an agency deposits $500 in the bank and records a CR for $5,000, the book balance must be adjusted by $4,500. The Treasurer's Office will process a decreasing CR document for $4,500. During the reconciliation process, the bank deposit of $500 would be listed as a deposit in bank, not in book, and the $5,000 book deposit would be listed as a deposit in transit. These items would be reconciling items and would have to be manually cleared once corrected.

- **Monthly Reconciliation**

  The Controller's Office currently is responsible for reconciling the balance per the bank to the balance per the books on a monthly basis. The Controller's Office works with the Treasurer's Office and other agencies to retrieve all information relating to the bank reconciliation. All outstanding items and all items on the bank reports are reviewed to find the correct bank to book balance. The Controller's Office is responsible for identifying all reconciling items.

  Agencies are responsible for reconciling their own outside bank accounts and zero bank accounts on a monthly basis. Bank reconciliations for these accounts must be forwarded to the Controller's Office on a quarterly basis.

## 5.5.5   Canceling Checks

A Check Cancellation (CX) document is a transaction that records the voiding of a previously issued check. This document posts reversing entries to cash and vouchers payable. A CX document cannot be used to cancel checks that do not reference a Payment Voucher and have associated Open Payment Voucher Tables (OPVH, OPVL) (i.e., Manual Warrants), nor can it be used to cancel partial payments. In these instances, a reverse Manual

Warrant must be entered.

Baseline ADVANTAGE includes four distinct cancellation types. The State determined that a fifth type of cancellation was necessary. The following lists documents the types of cancellations and their uses:

- Type 1 (Reschedule) – Reopens and reschedules the payment voucher using either the date entered on the CX document or a computed date (determined in the same manner as a PV). The vouchers payable account to be reversed is determined from the offset liability account recorded on OPVH.

- Type 2 (Unschedule) – Reopens the payment voucher but leaves it unscheduled. The vouchers payable account to be reversed is determined from the offset liability account recorded on OPVH.

- Type 3 (Cancel) – Leaves the payment voucher closed. The **Cancel Vouchers Payable** account specified on the Payable and Disbursement view of System Special Accounts (SPEC) table is reversed.

- Type 4 (Close) – Leaves the payment voucher closed. Cancels the check and backs out the payment voucher.

- Type 5 (Stale) – Cancel the check and reschedule the voucher. The Controller's Office must process the re-issuance or cancellation of stale checks manually.

The following accounting entry is posted for all check cancellation types:

Dr     Cash
      Cr     Vouchers Payable

For Type 4 (Close) CX documents, a PV modification document is created to revert the funds back to their point of origin. The accounting for this entry is:

Dr     Vouchers Payable
      Cr     Expenditure

**EFT Cancellations** – In the event an incorrect amount is paid or a tape is lost or destroyed and cannot be recreated, EFTs may be cancelled using check cancellation documents. All cancellation abilities/restrictions still apply. Additionally, when canceling an EFT,

- The **EFT Check Indicator** on the CX document should be selected.

- The vendor will be checked to be sure it is still EFT active. If it is not, the **EFT Indicator** on OPVH will be reset (For a Type 1 or Type 2 CX only).

- The voucher will be rescheduled for automated disbursements (check) and a warning will be issued when using a CX Type 1 (Reschedule) and the vendor is not EFT active.

- The voucher will remain unscheduled but the **EFT Indicator** and the **Application Type** will be changed on the OPVH and a warning will be issued when using a CX Type 2 (Unschedule) and the vendor is not EFT active.

### 5.5.6 Manual Payroll Checks

If a manual payroll check is required between payroll periods for any reason (i.e., missed payroll cutoff date, court ordered action, withholding errors, etc), the check must be requested through the Department of Personnel. The Controller's Office will prepare and issue the check to the employee only after the information has been entered into the Human Resources System.

Each night, the Human Resources System interfaces these manual paycheck records into the Statewide Financial System. This records the checks onto the Warrant Reconciliation (WREC) table. The financial transactions (Journal Vouchers) for these paychecks are included in the normal payroll cycle transactions.

## 5.6    Revenue and Receivables

Revenue represents funds due to the State, such as taxes or income earned for providing goods and services. Receivables represent billings to entities based on events that have occurred resulting in the entities owing money to the State.  Revenue can be recognized at the time goods and services are provided (accrual basis) or when the money is received (cash basis).  However, funds cannot be expended from the budgets until the cash has been received.

The Advanced Receivable Subsystem (ARS) will be used by many agencies to record their receivables.  ARS supports both cash and accrual basis accounting.  Transactions are posted to on-line tables (open item tables) and to the revenue ledger.  The system provides for centralized tracking and monitoring of the receivables on a statewide basis.

The IFS Team recognized that some current accounts receivable systems will remain after the implementation of IFS.  IFS will not replace these agency systems due to the other necessary information housed in them.

The six basic processes identified relating to revenue and receivables are:

1. Customer Maintenance.
2. Billing.
3. Cash Receipt/Bank Deposit.
4. Adjustment.
5. Collection.

### 5.6.1 Customer Maintenance

The Customer Maintenance process includes:

- Establishing a customer record.
- Changing a customer record.
- Marking a customer inactive.
- Identifying customers with disputes or pending legal action.
- Deleting a customer record.

The State's vision is for the Customer database to be kept as current as possible. The establishment and maintenance of customer records will be a centralized activity within the Controller's Office. A form has been developed for the agencies to submit for vendor additions and corrections. Agencies are required to obtain a tax identification number from a customer before requesting the customer be established in the IFS System. This is a precautionary measure to assist with collection efforts if necessary.

The State would like to keep the size of the database at an optimal level and delete those customers who are no longer conducting business with the State. Customers will be inactivated and/or deleted based on predefined parameters, such as last activity date. Purges of the customer database will happen on a regular basis to delete the inactive customers.

Tracking customer balances will occur at both the agency level and at the statewide level. Agencies will track their own receivables while the Controller's Office will maintain a statewide oversight to insure that a customer balance does not get out of control and that a customer not making payments to the State does not receive a check from the State.
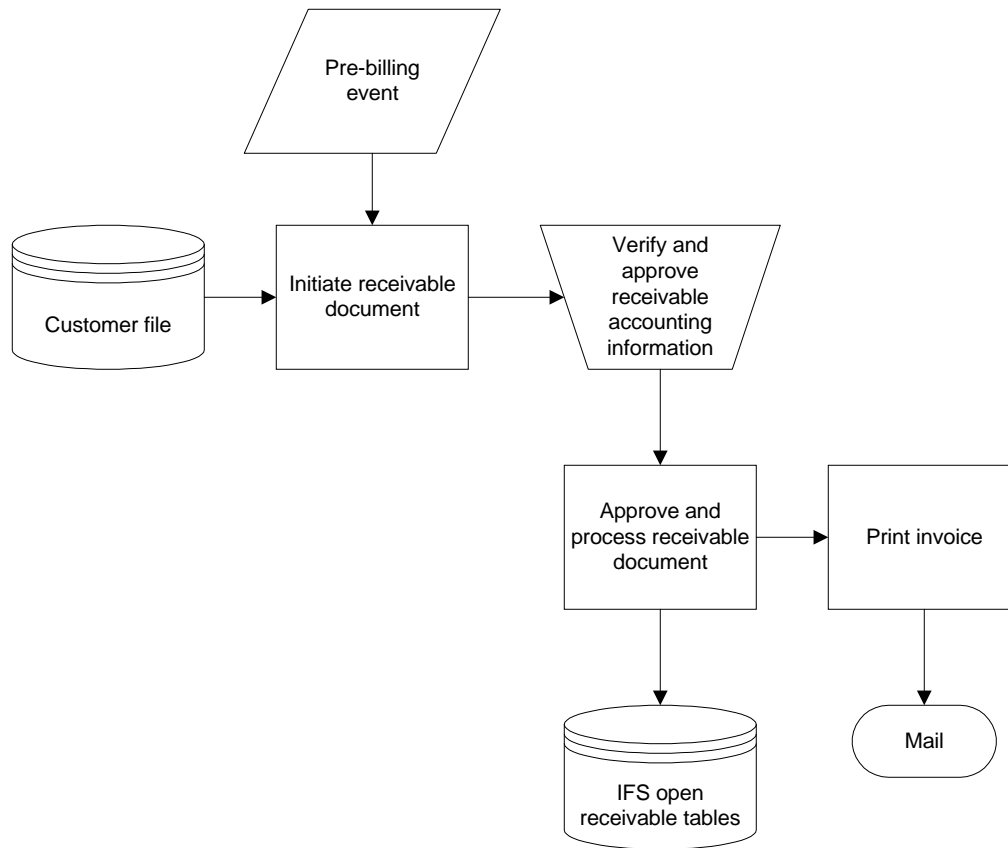
## 5.6.2 Billing



**Figure 6. Billing Process**

The State's vision for the billing process includes:

- Providing accurate and timely billing for amounts owed to the State.

- Providing for decentralized data entry for generating accounts receivable billings.

- Providing for the tracking and monitoring of accounts receivable through on-line inquiries and reports.

- Providing billing capabilities for the State's various types of receivables (i.e., fees, permits, etc.).

- Providing aged accounts receivable information at the agency and statewide levels.

- Providing an offset process to insure the State does not cut a check to a customer who is delinquent in paying amounts owed to the State.

The billing process records and tracks receivable events in IFS. Invoices are sent to the customers as a result of this process. The invoice is triggered by a pre-billing event, such as the order of goods or services from an agency or the issuance of a permit to the customer. This process records amounts legally owed to the State in a centralized system.

The recording of a receivable will be performed by the agencies in a decentralized environment. Agencies will initiate the data entry and obtain approvals from the agency authority to process the billing. The invoices will be printed and mailed from the agency site. Agencies will also have the option of printing customer statements, delinquent notices and collection letters and mailing them to the customers. While agencies are responsible for tracking their own receivables, the Controller's Office will maintain a statewide oversight via on-line inquiry and reports.

For agencies using their own accounts receivable systems, information will need to be forwarded to the Controller's Office in order to maintain the statewide oversight. This information may eventually be entered into the IFS System in summary format to take advantage of additional collection facilities, such as offset of payments.

## 5.6.3   Cash Receipts/Bank Deposits

The State's vision for the Cash Receipt and Bank Deposit processes includes:

- Agencies making timely deposits to the bank resulting in increased investment income and better cash management and forecasting.
- Agencies recording deposits into the IFS system as quickly as possible.
- Giving agencies a system capable of applying receipts to open accounts receivable balances or directly to revenue sources.
- Providing the ability to receive electronic deposits.
- Providing a system capable of tracking deposit information to assist in the bank reconciliation process.

The receipt process records money received by the State. Money can be received in the form of a check, cash or an EFT/EDI payment. Regardless, a receipt transaction represents one of these five business events:

- Customer pays bill – Corresponding receivable is closed.
- Vendor returns refund – Reduction of expense is recorded.
- Customer pays for a cash sale – Revenue is recorded.
- Customer pays for goods and services not yet performed – Deferred revenue is recorded.
- Funds are received from grantor – Revenue is recorded.

The receipt process will be initiated by the agency that receives the funds. The timing is critical for this process. Customer receivable balances are not credited and funds are not available for agencies to spend until the cash receipt is recorded.

On-line inquiries provide the ability to track which receivables have been paid by the customer and which ones are still outstanding. The IFS security setup will insure that agencies can only see their own transactions.

These procedures apply regardless of the bank account that the agency deposits its funds into.

## 5.6.4   Adjustments

The adjustments process includes all adjustments to a previously entered transaction.  Approvals to adjustment transactions is generally more stringent than the original transaction.  This is especially true for decreases.  Only adjustments that have been reviewed and properly approved should be processed.  The following are examples of adjustments:

**Receivable**

- Increase original receivable.
- Apply credit memo to a receivable.
- Change the accounting distribution the receivable is applied to.
- Reapply overpayments to a different outstanding receivable.

**Receipt**

- Increase or decrease a cash receipt.
- Change the receivable reference on the cash receipt.
- Change the revenue account the receipt is applied to.

**NSF Check**

- Reverse the NF transaction by processing a Credit Memo (RM) document and creating a cash receipt transaction.
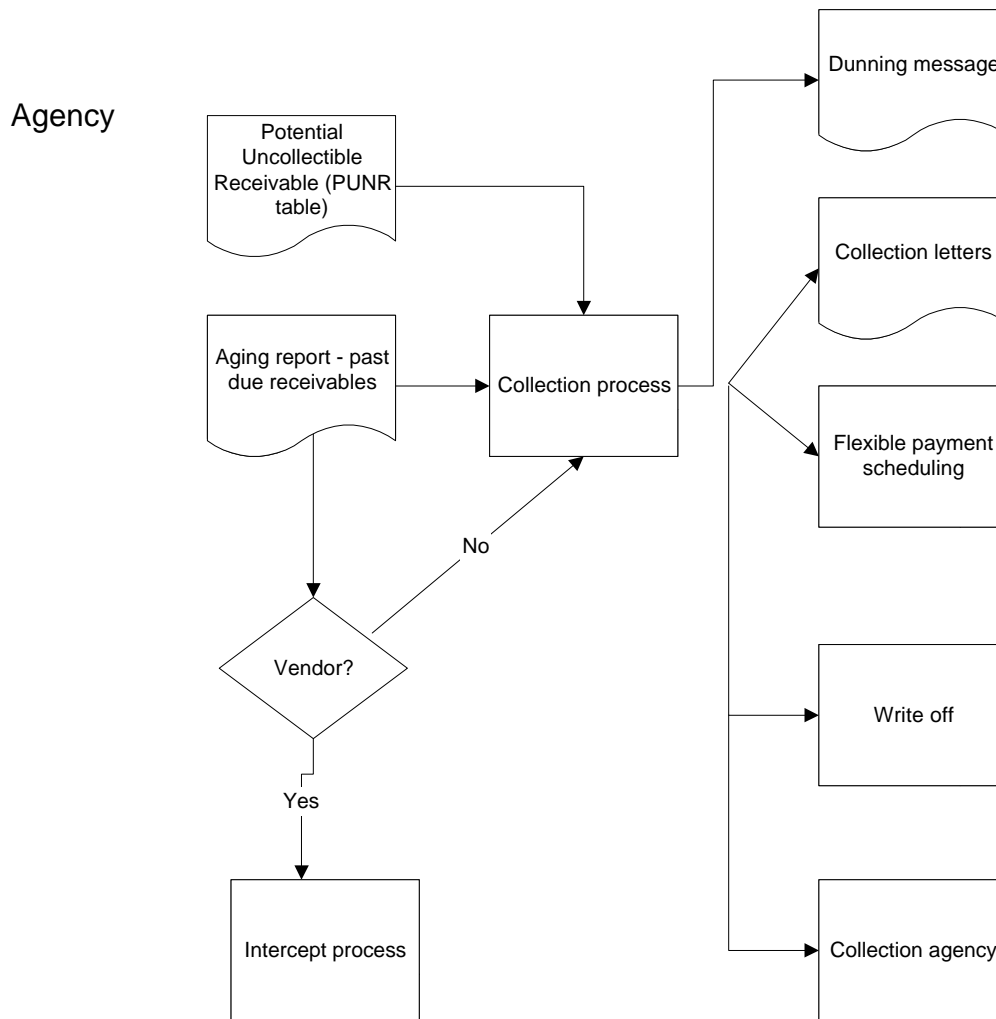
## 5.6.5   Collections



**Figure 7.  Collections Process**

The State's vision for the collection process includes:

- Providing a system capable of identifying delinquent accounts.

- Providing a system capable of pursuing delinquent accounts receivable by creating dunning messages and collection letters tailored to the agency needs.

- Providing a system capable of applying interest and late charges to delinquent accounts.

- Providing a system capable of intercepting payments to customers who have delinquent accounts receivable.

- Providing a system capable of generating an accounting transaction to recognize a receivable due to an NSF check.

- Providing a system with the ability to update a customer's credit file to reflect collection activities.

- Providing a system with the capability of writing-off uncollectible accounts.

Usually, customers pay their bills on time and the billing and receipt processes are sufficient to record this business in the IFS System. However, some customers refuse to pay their bills on time and the State must pursue collection efforts against these customers. Based on the number of days the customer is past due, different messages can be sent to the customer to remind them of the amount owed to the State. Agencies will be able to define the content of the dunning messages and collection letters in the IFS System by using the dunning message (DUNN) and collection letter (COLT) tables. The scheduling of the messages and letters is defaulted on the Collection Control (CCTL) table. Agencies can customize their scheduling on the Billing Profile Collection Cycle (BPCC) table. The printing and mailing of dunning invoices and collection letters will be done at the agency site.

Agencies will have the option of applying interest and/or late charges to customer accounts. The interest and late charge accrual is calculated based on default parameters (i.e., interest rate, late charge amount, etc.) established in the system wide Revenue Options (ROPT) table. Only the NSF fee and the tolerance levels for posting of cash receipts are required to be consistent statewide. Agencies can establish their own interest rates, late fee amounts, and due date lag on the Revenue Options by Agency/Revenue Source (ROAR) table.

The IFS system allows for the following collection events:

- Accruing interest and/or applying late charges.
- Arranging alternative payment plans.
- Handling checks returned from the bank unpaid.
- Intercepting a payment intended for a customer who has a delinquent outstanding balance with the State.
- Turning over the receivable to a collection agency.
- Pursuing legal action against the customer.
- Writing off an uncollectible receivable.

If a customer is unable to pay the entire amount it owes to the State, a flexible payment arrangement can be negotiated. The flexible payment scheduling can be established in the IFS System by using the Payment Scheduling (PSHD) table. The State needs to develop a common policy to address these types of arrangements.

If a customer is also a vendor used by the State, past-due amounts owed by the customer can be intercepted from State payments to the customer. The Controller's Office is currently developing a policy on the use of warrant intercept functionality.

If a customer's check is returned from the bank unpaid for any reason, the agency will process a Non Sufficient Fund (NF) document. This document reverses the cash receipt and re-opens any accounts receivable amounts closed by the bad check. The agencies also have the option of applying a uniform statewide NSF fee. This fee can be waived if so desired.

Once the collection of a receivable has been determined to be highly unlikely, the customer's accounts receivable

amount can be written off.  The write-off of a receivable is scheduled on the Potentially Uncollectible Receivable (PUNR) table.  The agency can select the receivables for write-off that have been determined to be uncollectible.  The IFS System will automatically generate a write-off transaction in the nightly cycle.  This document must be approved by the Controller's Office before the entry is processed to reverse the receivable entries.

## 5.7     Reporting Capabilities

The State has several options available to allow agencies access to their information.  Each of these options has benefits and drawbacks.  The three options available to the agencies are:

- On-Line Inquiries.
- COBOL Hard Copy Reports.
- Data Warehouse Reports and Inquiries.

### 5.7.1    On-Line Inquiries

The On-Line inquiries are available to users who have valid User Identification Logins.  These inquiries consist of various summary and detail tables (i.e., Extended Appropriation Inquiry Table (EAP2) (Summary), Open Receivables Header Table (OREH) (Detail), On-Line Budget Account Ledger (OBAL) (Detail), etc.) that give agencies access to various levels of reporting information.  Some of these tables (i.e., OREH, EAP2 and others) are updated real-time as documents are processed while others (i.e., OBAL and others) are still updated during the nightly cycle process.

The main benefits of On-Line inquiries are:

- Most information is updated real-time giving users up to the minute information.
- Users have various levels of detail and summary information available at any given time in formats structured based on the Chart of Accounts elements.
- Users have access to information in various "views" giving them several options on how to distribute information to those who require it.  This allows users to access information to address a variety of inquires from different sources including management, vendors and customers.

The main drawbacks to the use of On-Line inquiries are:

- The only way to obtain hard copy of this information is to print the screen to a local printer. These print screens take significant amounts of toner and paper.
- It is difficult to compare information side by side without printing screens as noted above.
- Some tables require scrolling (both left to right and up and down) to see all of the information relating to the given table.  This makes it difficult to see all of the relevant information at one time.

The individual tables are described in more detail in the State of Nevada Accounting Procedure (SNAP) training manual for the sub-system to which they pertain.  General tables are described in the SNAP Navigation Manual.

### 5.7.2    COBOL Hard Copy Reports

COBOL Hard Copy Reports represent the traditional green-bar reports received by the Agencies each week.  These reports consist mainly of the Budget Status Report, the Program/Project Report and the Management Spending Plan Report.  These reports are printed each Monday and the first day of each month.  These reports are created during the nightly cycle process.

The main benefits of COBOL Hard Copy Reports are:

- The reports are printed by the Controller's Office and distributed to the Agencies on full size paper to facilitate Agency reconciliations.
- The reports are printed at no cost to the Agency.

The main drawbacks to the use of COBOL Hard Copy Reports are:

- The reports are not timely. The information on the reports can be as much as a couple of weeks old based on the fact that the documents contained on them have had to go through Pre-Audit approval and through the Data Collection process of the Controller's Office.
- Even though the reports are printed as of Friday night, Agencies do not get them until Monday or Tuesday depending on their location.
- The reports take a significant amount of time to print, burst distribute and pick up. This time could be better spent working on other Agency projects.

The individual reports are described in more detail with examples in the State of Nevada Accounting Procedure (SNAP) Navigation Manual or the training manual for the sub-system to which they pertain.

### 5.7.3 Data Warehouse Reports and Inquiries

The Data Warehouse represents the newest medium to retrieve information. The Data Warehouse is a web based reporting and inquiry tool containing pre-defined reports that can be recalled by the Agency users. It will eventually contain ad-hoc type query capabilities. The currently available pre-defined reports include the on-line Budget Status Report, the Vendor Voucher Check Inquiry and the Document History Inquiry among others. The Data Warehouse is updated nightly after the nightly cycle process and contains information current through the previous business day.

The main benefits of using the Data Warehouse are:

- The information is more current that the COBOL Hard Copy Reports and contains the same basic information.
- Ad-hoc inquiries, when available, will allow the Agency users to retrieve information in the exact format and filtered views they desire.
- There are no software requirements for the Agencies except for an Internet Browser. All other software and the database are maintained centrally by the Controller's Office.
- The pre-defined reports (i.e., the Budget Status Report) are downloadable into Excel so that the Agency users can sort and manipulate the data into formats that are more useful to them.
- Agency users can print the reports at their local printers when necessary.
- Agency users do not have to be on-line with ADVANTAGE to use the Data Warehouse features, giving Agencies not yet brought on-line access to more current information.

The main drawbacks to the use of the Data Warehouse are:

- The information is current only through the previous business day and does not include any current day activities.
- The pre-defined reports do not have any built-in flexibility for the Agency users to customize the

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reports to obtain information they may require.

▪ New development in the Data Warehouse (i.e., new reports or the ad-hoc inquiry capability) takes significant time and will become available slowly in phases.

Specific information on the capabilities of the Data Warehouse is described in greater detail in the State of Nevada Accounting Procedure (SNAP) Data Warehouse Manual.

# 5.8    General Accounting

The State seeks to fully automate the processing of General Accounting activity in the IFS System.  The IFS System supports several sub-systems that will be used by the State.  These sub-systems include Advanced Receivables, Disbursements, Extended Purchasing, Federal Aid, Fixed Assets, Jobs, and Revenues.  Each of the sub-systems is fully integrated with the ADVANTAGE General Ledger.  Several business processes were identified and reviewed through the Design Analysis process.  The IFS Team identified several system modifications necessary to support the needs of the State.

The following sub-processes were considered to be part of the General Accounting model:

1. Accounting Cycles.
2. System File Maintenance.
3. Reorganizations.
4. Financial Management.
5. Inter-fund Activity.
6. GASB Compliance.
7. Journal Vouchers.
8. CAFR Reporting.

## 5.8.1    Accounting Cycles

Accounting cycles refer to the regular batch processing activities that occur on fixed intervals in ADVANTAGE. These cycles include Nightly Cycle processing, Month-end closing, Year-end closing and rollovers and New year initialization.

Included in the processing cycle job stream are system assurance processes designed to help insure and maintain data integrity.  The system assurance verifies:

- Debits and credits are equal for each fund.

- All processed transactions have been recorded in the General Ledger, Budget Ledger and the appropriate on-line tables.

- The organizational structure is accurately specified for each organization.

- Base table records are in sync with their associated alternate view.

The nightly system assurance process includes an exception log that is printed and maintained by the IFS System Administrator.

The Data Warehouse is loaded nightly from the General Ledger file from ADVANTAGE.  This file is validated against the Data Warehouse records to insure that the data being loaded into the Data Warehouse is legitimate.

Any, problems occurring due to system crashes or operational errors will be detected and reported through the system assurance process.  If the system assurance process indicates a problem, the system can be restored to the point before the cycle began.  At this point, the problem can be identified and resolved so that the cycle can be

restarted and the document processing completed.

## 5.8.2    System File Maintenance

This process refers to the clearing of data from the Financial Database on a regular and scheduled basis.  The System Administrator will coordinate the clearing of the various ledgers and tables via built-in purge processes.  The purge processes will be scheduled so that, at a minimum, the current and prior fiscal year's information is available on-line.  Purge processes will only be conducted after there is assurance that the data is available to the agencies via the Data Warehouse.

This process also includes the maintenance of user maintained IFS tables including application security tables.

## 5.8.3    Reorganizations

This process refers to the maintenance of Chart of Account and budgetary elements within IFS.  Included in this process is adding or removing various agencies or organizations.  The creation, restructuring or elimination of an agency may be required by one of three actions:  Executive Order, Administrative Order or Legislative action.  In each case, the agency will work through the Controller's Office to request the establishment or change of organizational Chart of Account and/or budgetary elements.  The Controller's Office maintains responsibility for all Chart of Account elements.

## 5.8.4    Financial Management

This process includes several unrelated financial activities such as Petty Cash Funds, Outside Bank Accounts and investing activities.  These processes are outside of the scope of the IFS System and are the responsibility of the various custodial agencies.

## 5.8.5    Inter-fund Activity

This process addresses the following activities:

- Operating transfers.
- Residual equity transfers.
- Expenditure reimbursements.
- Inter/Intra Agency adjusting entries.

These processes are the responsibility of the CAFR Reporting Section of the Controller's Office.  They are reconciled at least annually by this group.  Any necessary adjusting entries are entered by this group.

## 5.8.6    GASB Compliance

This process includes making the interim adjustments necessary for reporting in accordance with Generally Accepted Accounting Principles (GAAP).  These adjustments are the responsibility of the CAFR Reporting Section of the Controller's Office.  This group will make any necessary adjusting entries.

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### 5.8.7   Journal Vouchers

Journal Voucher (JV) documents are used to record various accounting events.  Some of these events cannot be recorded through the use of any other ADVANTAGE financial document type, while others are entered using JVs due to the ease of their entry.  These documents can be used to close accounts, move money and adjust balances.  JV documents can be charged at either the budget or fund level.  Most JV documents are initiated by the agency and must be approved by the appropriate agency personnel, the Budget Division and finally the Controller's Office.  The Controller's Office will maintain the data entry of these documents until an automated method for routing documents can be tested and implemented.  All JV documents require at least two levels of approval.  Journal Voucher entry and approval is the responsibility of the Agency Services Section of the Controller's Office.

### 5.8.8   CAFR Reporting

The State prepares a Comprehensive Annual Financial Report (CAFR) each year.  The CAFR consists of financial statements, notes to the financial statements, statistical information, budget to GAAP information and other Required Supplementary Information (RSI).  The CAFR is prepared by and is the responsibility of the CAFR Reporting Section of the Controller's Office and is audited by the State's external audit firm.  Preparation of the CAFR includes using data from the IFS System, information from the agencies and audited financial statements from the component units and State agencies (where required by law).

## 5.9    Projects, Job Costing and Grant Accounting

The IFS Project Team recognizes that State agencies have various budgeting, financial management and reporting needs beyond the standard budget account level.  These budgetary subdivisions can be used for grant or contract accounting, program or project accounting, function or activity tracking, or institution or organization accounting.  The agencies also require the capability to obtain on-line or hard copy reporting for these various financial subdivisions.  IFS has the ability to integrate these activities into the other modules of the financial system.

The IFS Project Team decided that certain grant and project activities, such as the approval and close-out processes are outside of the scope of the IFS project.  These processes will have to be addressed by outside programs.  The IFS System will provide budgeting, tracking and reporting capabilities for these activities to assist the agencies with these accounting tasks.

The IFS System has several options for budgeting and tracking these types of subdivisions.  They are:

- Federal Aid Management.
- Job Costing.
- Expense Budgeting and Reporting.
- Internal Budgeting and Reporting.

### 5.9.1    Federal Aid Management

Federal Aid Management (FAM) is part of the ADVANTAGE grant accounting package.  The State has deferred the implementation of this subsystem until after the initial phase of the rollout of IFS to the State agencies.  The FAM subsystem includes:

- **Establishing Grant Numbers and Setup Tables.**  There are various codes and identifiers associated with grants.  The actual procedure by which grant numbers are assigned remains to be determined, but once numbers are assigned, they must be entered into the IFS System.  Table setup in IFS primarily consists of entering these various codes and identifiers, establishing the grant for the agreed upon amount and entering information necessary to calculate expenditure reimbursements.

- **Grant Maintenance.**  Grant Maintenance refers to the various steps used to insure that transactions are properly posted to the correct grant.  The procedural steps involved in the maintenance of grants include:

  - Providing on-line error messages and the ability to override them if necessary.
  - The ability to charge expenditures to the next grant period.
  - The ability to charge expenditures to a non-Federal fund source.
  - Allowing user to correct keying errors on-line.
  - Posting expenditures to a default code.
  - Allowing for overmatching.
  - Updating table entries.
  - Posting expenditures by Fiscal Year (FY).
  - Correcting errors by Journal Voucher (JV) process.
  - Carrying forward balances to the next FY.

- ▪ **Contracting Grant Funds.** This is the process by which funds from a grant are assigned or passed-thru (via contract) to various vendors or sub-recipients. This process is covered in the Purchasing and Payables Section of the AIM.

- ▪ **Expending Grant Funds.** Expenditures for grants can be processed on-line real-time and/or overnight in batch mode. Either way, transactions will be edited on-line to minimize the number of accounting distribution errors that need to be corrected after the fact.

- ▪ **Requesting and Receiving Grant Revenue.** The process wherein cash is requested from Funding Agencies and the receipt of that cash is recognized in the accounting system (the Draw-Down process).

- ▪ **Processing Grant Amendments.** The Grant Amendment process begins when the Grant Amendment arrives from the Funding Agency. The document may include the following information: Federal Grant Number, CFDA #, any budget requirements, the amount of increase/decrease and the revised Total Award. This document will be delivered to the appropriate responsible agency for the monitoring and financial management of the grant. The grant accountant will coordinate with department programs for the allocation of the funds and appropriations.

- ▪ **Accumulating and Reporting on Grant Funds.** The IFS System will support grant reporting in a variety of ways. There are on-line inquiry screens, printed COBOL reports and Data Warehouse inquiries. The grant accountants will have access to these mediums and will be able to retrieve grant information as necessary.

## 5.9.2 Job Costing

The Job Costing Subsystem (formerly Program/Project Codes) allows for the establishment modification and close-out of Jobs (Programs or Projects).

Once an agency determines that a Job Number is needed, a request is sent to the Controller's Office who establishes the Job Code using a Job Establishment (JB) document. The JB document initializes the Job Index (JOBT) and the Job Inquiry (JOB2) tables and accumulates charges for the program or project. The Job Code can be set up with a specific end date or other criterion that can be modified at a later date using a JB document. Job Numbers can be closed so that no more charges can be accumulated against the program or project.

The IFS System will produce reports for Job Costing Subsystem. These reports will either be hard copy COBOL reports or Data Warehouse inquiries. The COBOL reports will be the equivalent to the old Program/Project Report (74.0 Report).

## 5.9.3 Expense Budgeting and Reporting

The Expense Budgeting and Reporting options offer agencies the ability to set up budgets at various levels down to the object code level. Expense budgets are established using Expense Budget (EB) documents. Expense budgets can be designed to roll up into various "Reporting" organizations. These "Reporting" organizations are defined by the agency and established by the Controller's Office.

There are many options for reporting using the Expense Budgeting model. There are a series of on-line screens, some standard COBOL reports and Data Warehouse inquiries.

If agencies determine the Expense Budget model to be their budgeting and reporting choice of preference, the IFS Team will assist the agency with the set-up and design of the "Reporting" organizations.

## 5.9.4   Internal Budgeting and Reporting

Internal Budgeting is the final option available to the agencies for their budgeting needs.  This option is designed and established entirely by agency personnel.  Budgets and their related hierarchies can be established at a variety of levels as required by the agency.

The IFS Team will assist the agency with the set-up and design of the hierarchies and budgets if the agency chooses to use the Internal Budget Model.

The Internal Budgeting Model is supported by on-line screens and Data Warehouse inquiries.  The IFS Team intends to develop a COBOL report similar to the old Management Spending Plan Report (73.6 Report) to support the Internal Budgeting Model.

## 5.10   Fixed Assets

The State of Nevada seeks to automate the accounting and reporting requirements of Fixed Assets and Personal Property tracking.  Implementation of the ADVANTAGE Fixed Assets module will reduce manual record keeping, enhance reporting, improve tracking, replace redundant fixed asset systems, and provide a detailed audit trail of the asset's entire life cycle.

Implementing the Fixed Assets module gives the State the ability to:

- Record full life-cycle information.

- View asset information on-line.

- Track assets potentially due for replacement based on user defined criteria.

- Perform real-time updates to and from other associated processes such as records, disposal, etc.

The Fixed Assets Subsystem was designed to support the full financial reporting of fixed assets as mandated by the Government Accounting Standards Boards (GASB), as well as the management and control aspects of the physical items.  The Fixed Asset Subsystem also conforms to the Generally Accepted Accounting Principles (GAAP) for fixed assets accounting.

The process includes the following six business sub-processes:

1. Fixed Asset Acquisition/Betterment
2. Disposition
3. Reorganization
4. Internal Sale
5. Adjustments
6. Construction Work-in-Progress

## 5.10.1  Fixed Asset Acquisition/Betterment

This process refers to the acquisition and betterment of a fixed asset.  The IFS System supports six types of fixed assets, including: land, buildings, improvements other than buildings, equipment, construction-in-progress, and vehicles.  Fixed asset types can be added only with the approval of the Controller's Office and the Purchasing Division.

**Fixed Asset Acquisitions (FA)**
The IFS System determines the eligibility of an item to be classified as a fixed asset based on the commodity table, state rules and exceptions.  If the item meets the criteria, the payment voucher will generate the appropriate number of Fixed Asset document (FA) shells based on the line item quantity.  The Purchasing Division Property Management Section will complete the FA shell with information necessary for tracking the asset.  FA documents can be created from scratch if a FA shell was not created by a payment voucher.  The FA document contains both accounting and descriptive information.  For governmental funds, an acquisition transaction generates the appropriate General Ledger entries for the General Fixed Asset Account Group.  For proprietary funds, an acquisition transaction generates the appropriate Fixed Asset and General Ledger entries. The FA establishes a master record and first detail record for the asset in the online system.

**Fixed Asset Betterments (FB)**
The betterment refers to an addition or improvement to an existing asset.  Betterments can be entered and tracked independent of other betterments or the original asset.  The FB document captures both accounting and descriptive information.  The cost and salvage value of the betterment can be allocated to its own funding sources independent of the original asset.  If the Purchasing Division Property Management Section determines the item is a betterment to an existing fixed asset, the previously generated FA shell will be deleted and a FB document will be created using the same information for those items classified as betterments.  The Responsibility Center of the betterment will be the same as the original fixed asset.  FB documents will include a Funding Source, an Equity distribution and an Acquisition/Valuation panel similar to the FA document.  The accounting implications and entries generated are essentially the same as the FA document.

## 5.10.2  Disposition

If the State decides to dispose of an asset to an outside party, the disposition must be recorded in the IFS System.

A Fixed Asset Disposition document (FD) may be processed with the appropriate disposition method.  The disposition methods are pre-defined in the Fixed Asset Disposition table (FADM).  For example, the item may be destroyed, become obsolete, traded in, sold, stolen, etc.  For proprietary dispositions, a Cash Receipt (CR) document may be required.  The Cash Receipt (CR) recognizes cash and revenue.  The FD calculates depreciation as of the disposition date before generating the disposition ledger entries.  The FD also recognizes gains or losses for proprietary funds and generates the appropriate accounting entries to dispose the asset.  Betterments can be disposed of independently of the original asset.

The FD marks fixed assets tables with results of the disposition where it remains until an offline batch program purges and archives the tables.  Dispositions can only be entered by the Purchasing Division or the Controller's Office.  For assets that are lost or stolen, a FD should only be processed after the agency has exhausted recovery options.  While attempting to locate lost or stolen assets, the agency should mark the assets with an identifiable "Lost/Stolen" location code to enable better tracking.  This is done utilizing a Fixed Asset Modification (FC)

document. If the asset is found, the correct location code should be updated with another FC.

### 5.10.3 Reorganization

This process refers to changing accounting or location coding for a group of assets due to a governmental reorganization or an agency relocation. When a reorganization (usually as the result of legislation passed to change the makeup of state agencies) or a relocation occurs, the Purchasing Division or the Controller's Office can change the coding on the agency's assets to correctly reflect the new accounting or location coding en masse. This can only be done when all assets associated with the coding are affected. If only some of the assets are affected, individual Fixed Asset Transfer (FT) or Fixed Asset Internal Sale (FS) documents must be processed.

### 5.10.4 Internal Sale

If an asset is to be transferred (sold) between a proprietary agency (i.e., Motor Pool or Prison Industries) and a governmental agency (i.e., DMV or DETR) or between two proprietary agencies, the Purchasing Division or the Controller's Office will enter a Fixed Asset Internal Sale (FS) document. This document records the new accounting and location coding of the asset as well as posting a gain or loss on the sale, if applicable. The FS document can also change the equity distribution of the asset for financial reporting purposes. An intergovernmental payment voucher is required to transfer funds from one agency to the other.

If an asset is to be transferred (sold) between two governmental agencies, the Purchasing Division or the Controller's Office will enter a Fixed Asset Transfer (FT) document. This document records the new accounting and location coding of the asset without posting any ledger entries. Ledger entries are not necessary because the asset remains in the General Fixed Asset Account Group.

### 5.10.5 Adjustments

This process refers to changes or adjustments to existing assets at the betterment level. Most informational fields may be corrected using a Fixed Asset Modification (FC) document.

The accounting coding cannot be changed with a FC transaction. This must be done using an FT document. The equity account cannot be changed if any depreciation has been booked against it. The asset tag number may not be changed within the asset type.

The FC document may be used to change a transfer price previously recorded on an FT document, or a selling price previously recorded on an FD document.

If a payment voucher is modified in the IFS System, the Fixed Asset record will not be automatically updated. Any changes to a Fixed Asset record resulting from a payment voucher modification will be manually corrected using a FC document.

### 5.10.6 Construction-In-Progress

This process describes the handling of projects that have been classified as construction-in-progress. Projects are reviewed at their inception to determine if they are going to be capitalized and if they are going to be tracked by the Fixed Asset system. Those projects determined to meet this criteria are flagged for reporting purposes.

All projects are re-evaluated on a yearly basis to determine whether or not they should be capitalized. If the project is tracked through the Fixed Asset system, the initial year of the project is recorded as a **fixed asset** and the subsequent years are recorded as **betterments**. The asset and related betterments use the acquisition method "C" for Construction.

When the project is completed, it is transferred to the appropriate asset account using a Fixed Asset Transfer (FT) Type 1 document. The FT document will create the proper ledger entries to post the asset to the correct balance sheet account in the correct fund.

# 6    Implementing IFS at an Agency

There are many tasks involved in preparing an agency for implementation.  The following sections offer quick references to each of the tasks required for implementation, and their responsible parties.

## 6.1     Agency Implementation Approach

The IFS Implementation Team decided the best approach to use with implementing IFS at the agency level was to implement in Phases.  This approach to implementing IFS will allow each agency to understand the basic functionality of IFS and compare it with the agency's current operations.  As each agency becomes familiar with how IFS works, they can decide whether or not to implement the more advanced features to replace in-house functionality.  It is not necessary for an agency to implement any part of Phase II or Phase III, but it is necessary for each agency to implement Phase I before implementing any parts of the subsequent Phases.  The IFS Implementation Team will assist each agency with the implementation of the Phase II and Phase III functionality.  Implementing the advanced functionality will require more agency resources in order to convert current operations into the IFS functionality.

### 6.1.1    Phase I

Phase I is the initial implementation of IFS at the agency.  The agency will learn:

- How to enter and process basic ADVANTAGE Documents including:
     Cash Receipts
     Payment Vouchers
     Requisitions
     Receivers
     Restricted Journal Vouchers
     Purchase Order Document (Internal Purchase Order)
- How to navigate in ADVANTAGE (How to find information you need)
- How the system works (How do documents update tables and reports)

### 6.1.2    Phase II

Phase II includes adding additional functionality to the agency, including:

- How to enter and process Advanced ADVANTAGE Documents (As needed by the agency), including:
     Price Agreements
     Journal Vouchers
     Work Programs (Appropriation and Revenue Budget documents)
- Advanced Receivables (If needed by the agency)
- Fixed Assets (If needed by the agency)
- Agency Level Workflow

### 6.1.3    Phase III

Phase III is the most advanced functionality that will be implemented at the agency level.  Implementing Phase III will require the agency to commit the resources to define their usage of

accounting elements and map their current agency operations into the ADVANTAGE functionality. This will be required for the following:

- Advanced Grant Accounting (If needed by the agency)
- Internal Budgeting (If needed by the agency)

### 6.1.4   Interfaces after Implementation

- Any existing agency interfaces will eventually have to be converted to ADVANTAGE interfaces. This may be done as part of Phase I or may be completed after Phase I is complete. All agency interfaces must be converted by March 31, 2002.

## 6.2     Checklists

The IFS Implementation Team will provide any checklists necessary for the implementation of IFS to the agency.  There are several checklists provided with the AIM.  These checklists are used to help plan and track the various IFS implementation activities at each agency.  Completed checklists also provide the IFS Project Team with information to monitor how smoothly implementation is going at the agency level, and to plan for the right kind and amount of support.

## 6.3    Roles and Responsibilities

It will be the IFS Implementation Team's responsibility to:

- Provide the agency with IFS AIM planning materials.

- Provide planning assistance with the agency implementation of IFS.

- Provide, via the assigned IC, a central point of contact within the IFS Implementation Team for your questions and support needs.

- Respond to queries about IFS as quickly and efficiently as possible.

It will be the agency's responsibility to:

- Direct and perform the implementation of IFS within the agency, with the assistance of the IFS Implementation Team.

- Complete the applicable items on each Agency Checklist assigned by the IC and return the checklist and any necessary backup documentation to the IC.

- Determine which functionality from Phases II and III are going to be implemented at the agency.

- Provide whatever staff or technology resources are needed to accomplish the implementation at the agency within the time available.

## 6.4    Agency Checklists and Usage Analysis

In order to implement Phase I, an agency must complete certain information and return it to the IFS Implementation Team.  The necessary information is contained in the Agency Checklists provided in the appendix of this manual.  For Phases II and III, the IFS Implementation Team may require a Usage Analysis (UA) be conducted by the agency.  During the agency UA activity, the AIC and key agency experts will define how the IFS software will be used to support their agency's operational requirements.  This will involve a number of component steps, including reviewing current agency operations, understanding the IFS system functionality and reviewing and modifying corresponding policies and procedures.  This work will enable the team to define how the agency will utilize IFS.  If an agency decides not to implement certain additional IFS functionality from Phase II or III because it is not relevant for the agency, no in-depth analysis will be required.  Once the UA is complete, an implementation plan will be prepared to address the work necessary to implement the additional functionality.

Information for Phases II and III will be provided at a later date.

## 6.5    Polices and Procedures

In order to prepare your agency for the implementation of IFS, policies and procedures will have to be modified to address the use of IFS.  Policies and procedures modifications for the following must be completed prior to implementation:

- Segregation of Duties for Cash Receipts
- Approval Routing for Payment Vouchers
- Approval Routing for Purchasing related documents (Requisition/Receiver)
- Budget Account Reconciliation
- Post-Audit Review

Each agency-must specify new procedures to be followed since they are no longer subject to Pre-Audit approval of their documents.  The procedures need to be written to account for the Pre-Audit function and to document the process flows of the agency.  To assist you in this activity, the IFS Implementation Team will supply samples of acceptable procedures.  When the procedures are completed, you will forward them to the Office of Financial Management, Training and Controls for approval.

If you need assistance with your agency's policies and procedures, you may contact the IFS Implementation Team or the Office of Financial Management, Training and Controls.

| Implementation Task Matrix | | | |
|---|---|---|---|
| **Responsible** | **Task #** | **Task Name** | **Checklists/Forms/Outputs** |
| **Phase I** | | | |
| **Policies and Procedures** | | | |
| AIC | 6.5.1 | Document and Review Current Internal Control Processes | • Step 1 on Phase I Checklist<br>• Current Agency Purchasing and Payables Processes<br>• Current Agency Revenue and Receivables Processes<br>• Current Account Reconciliation Processes<br>• Current Post-Audit Processes |
| AIC | 6.5.2 | Create IFS related Internal Control Processes | • Step 2 on Phase I Checklist<br>• New Procedure for Cash Receipts<br>• New Procedure for Payment Vouchers<br>• New Procedure for Purchase Requisitions<br>• New Procedure for Receivers<br>• New Procedure for Budget Account Reconciliations<br>• New Procedure for Post-Audit Review |
| Manager, Financial Mgmt, Training and Controls | 6.5.3 | Approve Agency Internal Controls | • Step 3 on Phase I Checklist<br>• Signed Internal Control Approval Memorandum forwarded to IC, AIC and Pre-Audit Section of the Budget Division |
| Manager, Pre-Audit | 6.5.4 | Approve bypass of Pre-Audit | • Step 4 on Phase I Checklist<br>• Signed Pre-Audit Bypass Memorandum forwarded to IC and AIC |
| AIC | 6.5.5 | Letter to Check Distribution | • Step 5 on Phase I Checklist<br>• Completed Authorization to bypass Check Distribution Memorandum |

## 6.6 IFS Agency-specific Training Tasks

Extensive training has been prepared for the IFS functional areas. This training is offered through the IFS Implementation Team.

This section of the AIM outlines the tasks that AICs will need to follow to coordinate the IFS training tasks.

| Implementation Task Matrix | | | |
|---|---|---|---|
| **Responsible** | **Task #** | **Task Name** | **Checklists/Forms/Outputs** |
| **Phase I** | | | |
| **Training Tasks** | | | |
| AIC | 6.6.1 | Perform Mandatory IFS Training Tasks | • Completed tasks 6.6.1.1-6.6.1.2. |
| AIC | 6.6.1.1 | Identify and Register Training Participants | • Step 6 on Phase I Checklist<br>• Completed Agency ADVANTAGE Training Sign-up Sheet returned to IFS Implementation Team |
| AIC | 6.6.1.2 | Coordinate Attendance at Training Sessions | • Step 7 on Phase I Checklist<br>• Insure all necessary staff attend and participate in appropriate IFS End User Training |

## 6.7    IFS Security Tasks

In order to prepare your agency to use IFS, each user requiring access to the system must be assigned an ADVANTAGE User ID.  This section of the implementation manual outlines the steps each agency needs to take to determine which users will need an ADVANTAGE User ID, what access these users will need, and the information required for setup by the State Controller's Office System Administrator.

The AIC must compile a list of employees who will be users of the IFS system.  The AIC must also collect specific user information including:

> Users First Name, Last Name and Middle Initial
> User's Title
> User's Supervisor

The AIC should be familiar with Agency operations and understand the access requirements for users in the Agency.  The AIC will assign profiles to IFS users based on their system access requirements and their appropriate approval levels enabling them to process transactions required to perform their jobs within the agency.  The AIC should have the authority to approve the creation of these security profiles.

The IFS Implementation Team has created a series of agency level profiles to allow users the different levels of access and approval they need to perform their tasks within IFS. These profiles are predefined to provide the functionality users will need.  They have been created with the needs of Agency users in mind.  A detailed listing of these profiles will be provided to the agency at the Agency Implementation Kickoff Meeting.

Certain agencies are responsible for processing documents for multiple agencies.  The Controller's Office ADVANTAGE User Establishment Form has an area to identify the agencies for which the user needs access.  These agencies will become part of the user's security profile.

If a user in your Agency performs activities that do not fit into one of the pre-defined profiles, you may submit a request for a new profile to the IFS Implementation Team. This request must be submitted in writing and must describe the new profile responsibilities, giving a detailed description of the reasons for the required addition.

Agencies will not be provided with access to the system until the information under this set of tasks has been completed and approved by the State Controller's Office.

Agencies should keep copies of the completed Controller's Office ADVANTAGE User Establishment Forms for their records.  Agencies are responsible for updating and removing User IDs as employees change job responsibilities or leave their positions.

| **Implementation Task Matrix** | | | |
|---|---|---|---|
| **Responsible** | **Task #** | **Task Name** | **Checklists/Forms/Outputs** |
| **Phase I** | | | |
| | | | |
| **IFS Security Tasks** | | | |
| AIC | 6.7.1 | Compile List of IFS users | • Step 8 on Phase I Checklist<br>• A listing of employees who will need access to IFS.<br>• Complete Section A of the Controller's Office ADVANTAGE User Establishment Form for each user. |
| AIC | 6.7.2 | Determine Security Needs | • Step 9 on Phase I Checklist<br>• Identify responsibilities for each user. |
| AIC | 6.7.3 | Determine IFS Security Requirements | • Refer to 6.7.3.1-6.7.3.2 |
| AIC | 6.7.3.1 | Determine IFS System Access Requirements | • Step 10 on Phase I Checklist<br>• System access requirements defined for each user |
| AIC | 6.7.3.1 | Determine Multi-Agency Access | • Step 11 on Phase I Checklist<br>• Is multiple agency access required for any user(s) |
| AIC | 6.7.4 | Select and Assign User to IFS Profile | • Step 12 on Phase I Checklist<br>• IFS system requirements determined and a profile assigned for each user. |
| AIC | 6.7.5 | Complete Controller's Office ADVANTAGE User Establishment Form | • Step 13 on Phase I Checklist<br>• Complete Section B of the Controller's Office ADVANTAGE User Establishment Form for each user. |
| AIC | 6.7.6 | Obtain appropriate approvals for security IDs | • Step 14 on Phase I Checklist<br>• Complete Section C of the Controller's Office ADVANTAGE User Establishment Form by obtaining the signature of an authorized representative of the Agency, approving the creation of security IDs for each user submitted |
| AIC | 6.7.7 | Return Request Form to | • Step 15 on Phase I Checklist |

| Implementation Task Matrix | | | |
| --- | --- | --- | --- |
| **Responsible** | **Task #** | **Task Name** | **Checklists/Forms/Outputs** |
| | | IFS Implementation Team | • Completed Controller's Office ADVANTAGE User Establishment Forms returned to the IFS Implementation Team |

## 6.8    Agency Interfaces Implementation Tasks

Many agencies have their own computer systems and applications to support agency-specific operational requirements.  Many of these applications contain financial information that may be electronically communicated to IFS.  These interfaces will be modified to the new IFS coding structure.  We are currently working on a list of all identified interfaces to the FMIRS system through SCOOTER.  If your agency desires to upload information to IFS, it will have to be in the format designated by the Controller's Office Technical Staff.  A copy of the Nevada State Controller's Office Standards and Requirements for Uploading Data to the Controller's Office Using the ADVANTAGE System is available upon request.

The purpose of this section is to describe the tasks that must be accomplished by an agency to develop an interface or to modify an existing application to the new IFS coding structure.  It is the responsibility of the agency or their DoIT maintenance team to provide the expertise for the agencies legacy system.

The agency's AIC should obtain a copy of the Nevada State Controller's Office Standards and Requirements for Uploading Data to the Controller's Office Using the ADVANTAGE System for each interface development.  This document has instructions on how to construct interfaces with the IFS system and should be used to design changes to the existing system.  A System Interface Design should be written for each interface to be developed or modified.  The System Interface Design should address both changes to the application and to the databases to accommodate the IFS coding structure.

The new IFS Chart of Accounts (COA) will be the driving factor for making modifications to the agency's system.  The agency needs to determine which codes are needed to support each interface, and needs to insure the necessary codes are added to the agency's system database to support the interface.

After the interface is developed or modified, it will have to be tested and compared against the production application output.  The agency/legacy application will be used to generate data to be extracted by the interface program to generate IFS documents.  It is important to test the modified application and database with the interface program as a system.  This involves using the modified application to generate test data for the interface.  Please contact the Controller's Office Technical Staff for instructions on how to test the interface transaction file load into IFS.

After the interface is determined to be operating correctly, it will be added to the IFS daily interface collection.  The Controller's Office Technical Staff does not require copies of the modified application nor interface programs, only the interface files containing IFS documents.

| Implementation Task Matrix | | | |
|---|---|---|---|
| **Responsible** | **Task #** | **Task Name** | **Checklists/Forms/Outputs** |
| **Phase I** | | | |
| | | | |
| **Interfaces Implementation Tasks** | | | |
| AIC | 6.8.1 | Organize Interface Development | • Step 16 on Phase I Checklist<br>• Identification of each system being interfaced with IFS. |
| AIC | 6.8.2 | Design Agency System Changes | • Step 17 on Phase I Checklist<br>• A list of systems being changed to the IFS coding structure.<br>• System Modification Design for each system being changed to the IFS coding structure.<br>• System Interface Design for each new system being interfaced with IFS. |
| AIC | 6.8.3 | Modify the Agency/Legacy System to Use IFS Codes | • Step 18 on Phase I Checklist<br>• Converted and tested application and database. |
| AIC | 6.8.4 | Program and Unit Test Interface Software | • Step 19 on Phase I Checklist<br>• Unit test interface software.<br>• Create instructions on how to run interface software and how to transfer the interface transaction file to IFS. |
| AIC | 6.8.5 | Acceptance Test Interface with the Modified Agency/Legacy System | • Step 20 on Phase I Checklist<br>• Verify Test Results.<br>• Notify Controller's Office Technical Staff that Interface is Ready for Acceptance Test.<br>• Interface File to use in the IFS Acceptance Test. |

## 6.9    Agency-specific System Enhancements Logging Tasks

Once an agency goes live, users will begin to familiarize themselves with the different functionality IFS provides.  As users become more expert, they may start identifying ways in which the system could be changed or improved.  Changes, improvements, and additions to existing system functionality are called system enhancements.  System enhancements will require changes or modifications to the software that makes up IFS.

### 6.9.1    Recognizing the Need for a System Enhancement

Agencies have different requirements for which they use the IFS system.  If, as agencies become more proficient with the IFS system, an opportunity for improved performance or ease of functionality is spotted, there may be a need for a system enhancement.  There are several types of system enhancements, some of which include:

▪ Changes or modifications to existing system functionality,
▪ Creation of new functionality not previously provided by IFS or
▪ Extending the functionality of the existing system.

Prior to requesting a system enhancement however, agencies should determine the extent of the need for the enhancement, and be able to justify it to the IFS Project Team.

### 6.9.2    Submitting System Enhancement Requests

Agencies may submit enhancement requests after they have become familiar enough with IFS to identify and justify an enhancement.  These requests will be tracked and evaluated to determine if the enhancement can be provided.  If a problem arises during your agency's implementation that appears to prohibit your agency from conducting business, bring this issue to your IC's attention immediately.

## 6.10   IFS Post-implementation Support Tasks

### 6.10.1  Help Desk

It is proposed the Help Desk role will continue after Implementation is complete.  Established personnel will build a help desk function with their expertise that serves as the primary point of contact for agency customers regarding the financial processes and the software designed to support them.  The financial assistance function of the Help Desk will provide guidance or assistance for the following areas:

- Understanding policies and procedures

- Analysis to move business problems to solution

- Integration of financial management into agency operations

- Task specific assistance such as payment status, electronic funds transfer, fixed assets, year-end close out, and approval

- Gather feedback on the practical application of policies and procedures

- On-line document completion assistance

### 6.10.2  Training

The Controller's Office and the State Purchasing Division will provide training services ranging from agency policies and procedures to assistance with new procurement and financial practices of the IFS software.  Identification of the training subject matter and audience will be guided by the problems identified by the agencies through their contact with the Help Desk.

### 6.10.3  Obtaining IFS Help

Most IFS customers will obtain help through the Help Desk.  The Help Desk will be accessible through a single telephone number where the customer will speak to a human rather than an interactive telephone menu system or voice mail.  The analyst who answers the call will most likely be able to resolve the problem with the caller.  For more difficult problems, the caller may be transferred to a functional or technical expert.  If an expert is not available at the time, one will return the call.

In some cases, the call will not pertain to an activity supported by the Help Desk.  In those situations, the Help Desk personnel will direct the call to the appropriate Help Desk or agency.  However, the Help Desk personnel will act as the customer's advocate in these situations and

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follow-up with the caller to ensure that their problem has been addressed and resolved in a timely and professional manner.

In rare cases, a problem may require that a team of experts go to the agency location to observe the problem firsthand.  The Help Desk personnel will assemble the appropriate team of experts and manage their deployment to the customer's site.

# 7     Change Management

Agencies implementing IFS will experience rapid and profound changes in their business practices. To meet the demands of such change requires a variety of activities, including: stakeholder identification, analysis, and communication planning and organizational design work. Each of these topics is reviewed below.

## 7.1     Stakeholder Identification and Communication Planning

Stakeholders are those persons, or groups of persons, who may either influence or be influenced by the IFS implementation in your agency. As the previous sections of this document detail, the IFS implementation will impact many areas of agency operations. The implementation of model processes, the installation of new computer equipment, and the provision of training are just a few examples.

For each such IFS-related change, there will almost certainly be a stakeholder (or stakeholder group) who needs to understand not only the reason for the change but also its anticipated impacts on him or her. Helping an agency's stakeholders to understand the change process must occur before they can be expected to support the change process. It is with creating such support, generally, that agency communications must be sustained.

## 7.2     Organizational Design

Implementing IFS promises a variety of benefits to State agencies. These benefits will not be realized, however, by the mere existence of the system itself. Using the system to its full potential will involve identifying and defining new business processes. These new processes may require changes to organizational and/or work force structures to support them.

# 8    Glossary

**Table 1.  Functional/Technical Terms Associated with the Project**

| Functional/Technical Terms | |
|---|---|
| Term | Definition |
| Agency System | An External System maintained by an agency and not the Department of Information Technology (DoIT), as opposed to a legacy system described below. |
| External System | Any application that is not part of the IFS family of applications. |
| Legacy System | An external, fiscal-related system that is currently maintained by DoIT. |
| IFS | Integrated Financial System (IFS), comprised of an integration of the ADVANTAGE 2000 financial system, Desktop system and the Management Reporting Database, all specifically modified to support the State of Nevada. |
| Replaced System | System whose functionality will be performed using the IFS system.  The use of these systems will be terminated at some point in time based on requirements. |

**Table 2.  Acronyms Associated with the Project**

| Acronyms | |
|---|---|
| Acronym | Explanation |
| ADNT | Automatic Document Numbering |
| ADV | ADVANTAGE |
| AGPR | Agency Project |
| AIC | Agency Implementation Contact |
| AIM | Agency Implementation Manual |
| AMS | American Management Systems |
| ARS | Advanced Receivable Subsystem |
| BAC2 | Balance Sheet Account Code |
| BPCC | Billing Profile Collection Cycle |
| BPRO | Billing Profile |
| CAFR | Comprehensive Annual Financial Report |
| CCAT | Check Category |
| CCTL | Collection Control |
| CFDA | Catalog of Federal Domestic Assistance |
| CMIA | Cash Management Improvement Act |
| COA | Chart of Accounts |
| COLT | Collection Letters |
| CR | Cash Receipt |
| CUST | Customer |
| CUSC | Customer Credit History |

| Acronyms | |
|---|---|
| Acronym | Explanation |
| CUSF | Customer Financial History |
| DAWN | Data Warehouse of Nevada (Statewide Financial Information) |
| DHIS | Document History |
| DoIT | Department of Information Technology |
| DOT | Department of Transportation |
| DUNN | Dunning Message |
| DXRF | Document Cross Reference |
| EAP2 | Appropriation Inquiry |
| EDI | Electronic Data Interchange |
| EFT | Electronic Fund Transfer |
| FA | Fixed Asset Acquisition |
| FADM | Fixed Asset Acquisition/Disposition Method |
| FARO | Fixed Asset Reorganization |
| FAS | Fixed Asset Subsystem |
| FAS1 | Fixed Asset Summary |
| FASB | Financial Accounting Standard Board |
| FB | Fixed Asset Betterment |
| FC | Fixed Asset Modification |
| FD | Fixed Asset Disposal |
| FEIN | Federal Employer Identification Number |
| FHWA | Federal Highway Administration |
| FLOC | Fixed Asset Location Code |
| FMS | Financial Management System |
| FS | Fixed Asset Sale |
| FT | Fixed Asset Transfer |
| FTE | Full Time Equivalent |
| FY | Fiscal Year |
| GASB | General Accounting Standard Board |
| GEMS | Government and Education Management Systems |
| IC | IFS Implementation Contact |
| IFS | Integrated Financial System |
| IFS-HR | Integrated Financial System - Personnel & Payroll |
| II | Internal Invoice (Billing Claim) |
| IN | Invoice |
| INBI | Internal Budget Inquiry |
| INBO | Internal Budget Options |
| JB | Job Control |
| JV | Journal Voucher |
| JVR | Restricted Journal Voucher |
| LAN | Local Area Network |
| LCBR | Legislative Council Bureau - Research |
| NACUBO | National Association of College and University Business Officers |
| NSF | Non Sufficient Fund |

| Acronyms | |
|---|---|
| Acronym | Explanation |
| OBAL | Offline Budget Account Ledger |
| OCHK | Organization Check Category |
| OBJ2 | Object Code |
| OLGL | On-line General Ledger |
| OPPH | Open Purchase Order Header |
| OPVH | Open Payment Voucher Header |
| OREH | Open Receivable Header Inquiry |
| PC | Centralized Purchase Order |
| PO | Local (Internal) Purchase Order |
| PSHD | Payment Scheduling |
| PUNR | Potential Uncorrectable Receivable |
| PV | Payment Voucher |
| QA | Quality Assurance |
| RE | Receivable Document |
| RFP | Request for Proposal |
| RFQ | Request for Quotation |
| RM | Receivable Credit Memo |
| ROAR | Receivable Options for Agency/Revenue Source |
| ROPT | Revenue Options |
| RSR2 | Revenue Source Code |
| SA | System Assurance |
| SME | Subject Matter Expert |
| SUSF | Document Listing (Suspense File) |
| SW/HW/NW | Software/Hardware/Network |
| TAS | Technical Agency Support |
| TBD | To Be Determined |
| VEND | Vendor |

**Table 3.  General Terms Associated with the Project**

| General Terms | |
|---|---|
| Term | Definition |
| Administrative Services | Administrative services are those activities that support financial and material management functions for state government.  Those functions include:<br><br>Procurement<br>Intra-governmental Transactions<br>Accounts Payable/Disbursements<br>General Accounting<br>Cash Receipts/Cash Flow<br>Accounts Receivables<br>Post-Audit |

| General Terms | |
|---|---|
| **Term** | **Definition** |
| | Management Reporting and Decision Support<br><br>A central theme of the IFS Project involves a shift in accountabilities and responsibilities from the Department of Administration, the Controller's Office and the Treasurer's Office to the other State government agencies. The basic nature of the shift is a transfer of accountability and authority for process execution and control to those agencies. Accordingly, agencies will need to establish the capabilities to accept both the responsibility for control and execution of transactions as well as the accountability for related decisions. |
| Integrated Financial System (IFS) | The Integrated Financial System is an enterprise-wide system that will support the State government's administrative processes. When fully implemented, IFS will support the state's financial management processes and replace a number of legacy systems including FMIRS, SCOOTER and SOLVE.<br><br>IFS will be based on packaged software from American Management Systems, Inc. and will bring the benefits of new client/server and relational database technology to the State. Among the benefits will be: automated workflow; automated match and payables processing and significantly improved data access and reporting capabilities. |
| Statewide Purchasing Contract Agreements | These contracts are being developed to respond to multi-agency purchasing needs. Several commodities are frequently and routinely purchased which are best suited for a statewide contract approach. In some cases, these large scope contracts can be awarded by region to best structure a vendor delivery network for our agencies.<br><br>Several commodities are a best fit for delivery through this type of contract arrangement:<br><br>Office Supplies.<br>Medical Supplies.<br>Building Materials & Supplies.<br>Janitorial Supplies.<br><br>These contracts are designed to reduce administrative burden, assist with locating a "best value" source, offer faster delivery for core items, provide brand selection, and facilitate use of the state procurement card – in addition to other purchasing enhancements. |

# APPENDIX A: CHECKLISTS AND FORMS

| | IFS Agency Implementation Checklist<br>Checklist Name:    Phase I Checklist | | | |
|---|---|---|---|---|
| | **Agency Name:**_____<br>**Agency/Dept. Location:**_____ | | | |
| | **Check here when all applicable sections of this checklist are complete:** ❏ | | | |
| **ID** | **Action** | **Comments/Notes** | **Finish Date** | **Initial** |
| **Policies and Procedures** | | | | |
| 1 | Document and Review Current Internal Control Processes | | | |
| 2 | Create IFS related Internal Control Processes | | | |
| 3 | Approve Agency Internal Controls | | | |
| 4 | Approve Bypass of Pre-Audit | | | |
| 5 | Memorandum to Check Distribution | | | |
| **Training** | | | | |
| 6 | Identify and Register Training Participants | | | |
| 7 | Coordinate attendance at Training Sessions | | | |
| **Security** | | | | |
| 8 | Compile List of IFS Users | | | |
| 9 | Determine Security Needs | | | |
| 10 | Determine IFS System Access Requirements | | | |

**IFS Agency Implementation Checklist**
**Checklist Name:    Phase I Checklist**

**Agency Name:**_____
**Agency/Dept. Location:**_____

**Check here when all applicable sections of this checklist are complete:** ❑

| ID | Action | Comments/Notes | Finish Date | Initial |
|----|--------|----------------|-------------|---------|
| 11 | Determine Multi-Agency Access | | | |
| 12 | Select and Assign User to IFS Profile | | | |
| 13 | Complete Controller's Office ADVANTAGE User Establishment Form | | | |
| 14 | Obtain Appropriate Approvals for Security Ids | | | |
| 15 | Return Request Form to IFS Implementation Team | | | |
| **Interfaces** | | | | |
| 16 | Organize Interface Development | | | |
| 17 | Design Agency System Changes | | | |
| 18 | Modify the Agency/Legacy System to Use IFS Codes | | | |
| 19 | Program and Unit Test Interface Software | | | |
| 20 | Acceptance Test Interface with the Modified Agency/Legacy System | | | |

# AGENCY CONTACT
## (Please assign 2-4 employees)

Agency: _____

Date:_____

Name: _____

Address: _____

_____

Phone Number: _____

Fax Number: _____

E-mail: _____

GroupWise: _____

Name: _____

Address: _____

_____

Phone Number: _____

Fax Number: _____

E-mail: _____

GroupWise: _____

Name: _____

Address: _____

_____

Phone Number: _____

Fax Number: _____

E-mail: _____

GroupWise: _____

Name: _____

Address: _____

_____

Phone Number: _____

Fax Number: _____

E-mail: _____

GroupWise: _____

**Memorandum**


**Date:**
**To:**          State Treasurer's Office
**From:**
**Re:**          Distribution of Checks

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This is a blanket authorization for the Treasurer to release checks for agency (agencies) _____ (*insert agency numbers*(s)) without any audit or enclosing of remittances.  If there is special handling required on any check, a notice will be sent at the time the warrants are released to your office.

We have changed our procedures with the new ADVANTAGE accounting system.  All necessary information for the vendor to identify the payment will be included on the stub of the check.  Our normal business procedures will be not to return the remittance documents to the vendor.  We will have internal control procedures in place to assure that the check has the correct vendor name and address.




(This memorandum should be on agency letterhead)